

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON CONSUMER AFFAIRS

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April 21, 2009  
Start: 10:45 am  
Recess: 12:57 pm

HELD AT: Council Chambers  
City Hall

B E F O R E:  
LEROY G. COMRIE, JR.  
Chairperson

COUNCIL MEMBERS:  
Charles Barron  
James F. Gennaro  
G. Oliver Koppell  
John C. Liu  
Diana Reyna

## A P P E A R A N C E S

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Director of Legislative Affairs  
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Fran Freeman  
Department of Consumer Affairs

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Director of Automotive Services  
AAA New York, Inc.

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CHAIRPERSON COMRIE: Good morning.  
Can we please turn all cell phones off or put them on vibrate or quiet mode? I am Council Member Leroy Comrie. I'm the Chair of the Committee on Consumer Affairs. I want to apologize. We had a concurrent Land Use meeting that required a vote; so in fact, three of my committee members are at the Land Use hearing putting in their vote. Today we'll be holding the first hearing on Introductory Bill 708-A, a Local Law to amend the Administrative Code of the City of New York in relation to rates for the towing of motor vehicles. I'd like to thank everyone for joining us this morning. I want to thank my staff, Damien Butvick, Lacey Clarke and Reggie Thomas, my new Budget and Legislative Director that has just joined my office. I want to welcome him. This is his second hearing in my role as Chair of the Committee on Consumer Affairs. I want to thank Council Member John Liu who is with us this morning from the committee and also Council Member Diana Reyna who has been nipping at my heels for the better part of a year to hold this hearing today. The Department of Consumer Affairs has

1 regulatory authority over the rates of non-  
2 consensual towing. That is towing performed  
3 without the express consent or authorization of  
4 the vehicle owner. The four different types of  
5 non-consensual towing regulated by the city  
6 include: private property towing in which a  
7 private property owner contracts with a tower to  
8 remove a vehicle obstructing his or her property;  
9 arterial towing, which removes disabled vehicles  
10 from arterial roadways such as highways; towing  
11 under the Directed Accident Response Program, a  
12 DCA program which removes vehicles that have been  
13 involved in accidents and cannot operate under  
14 their own power; and the Rotation Tow Program,  
15 another DCA program which removes vehicles that  
16 have been suspected of being lost or stolen which  
17 have certain alarm devices or which are considered  
18 evidence in a criminal case. The towing industry  
19 last had a rate increase in 2004 when the Council  
20 passed Local Law 14, which increased rates for  
21 arterial tow operators from \$50 for the first mile  
22 and \$4 for each additional mile to \$70 for the first  
23 mile and \$4 for each additional mile. Three years  
24 earlier, the Council passed Local Law 72, which  
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1  
2 increased the maximum rates tow trucks could  
3 charge under the DARP and ROTOW programs and set  
4 higher rates for vehicles weighing over 10,000  
5 pounds. DARP tow operators were permitted to  
6 increase the rate charge for vehicles weighing  
7 under 10,000 pounds from \$65 to the current rate  
8 of \$80 and could charge up to \$125 for vehicles  
9 weighing more than 10,000 pounds. Local Law 72 of  
10 2001 also authorized ROTOW operators to increase  
11 their rates from \$50 to \$70 for vehicles weighing  
12 less than 10,000 pounds and \$125 for vehicles  
13 above 10,000 pounds. ROTOW storage rates were  
14 also increased from \$10 to \$15 per day for the  
15 first three days of storage and from \$15 to \$17  
16 for each addition day. Intro 708-A would raise  
17 towing rates for all types of non-consensual  
18 towing throughout New York City to \$185 per tow.  
19 It would allow towers to charge three days of  
20 storage for \$25 a day with \$35 per day for each  
21 addition day of storage. Intro 708-A would also  
22 repeal the existing provision that prohibits tow  
23 truck operators from requiring any unauthorized  
24 fees or charges related to the towing and storage  
25 of a vehicle. As the cost of living and operating

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2 a business increases, it is important that we  
3 allow our city's entrepreneurs and small business  
4 owners to remain afloat, particularly during these  
5 challenging economic times. Although I'm sure  
6 there are differing opinions regarding the exact  
7 amount tow truck operators should be legally  
8 permitted to charge, I do feel this is an issue  
9 worthy of further discussion. With that said, I  
10 look forward to hearing today's testimony with an  
11 open mind and hope that others will join me in  
12 that endeavor. I also want to say that I'm a  
13 member of AAA and I have benefited from AAA up to  
14 last week. I'm not going to say on camera what my  
15 wife does all the time, but it's something to do  
16 with battery charging and letting the battery run  
17 down on a regular basis. It's important that we  
18 hear all of the issues around this. One of the  
19 first issues that was presented to me as chair of  
20 the committee were the issues regarding ROTOW in  
21 the Dark Campaign and all of the issues regarding  
22 towing in and around my district and in and around  
23 the city. I want to thank, again, as I said  
24 earlier, Council Member Diana Reyna for  
25 consistently bringing this issue to my attention

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2 for the committee to have a hearing. I want to  
3 thank Council Member John Liu who has also brought  
4 the issue up to me. I'll ask them if either one  
5 of them has any opening statements. Actually  
6 Council Member Oliver Koppell was here before all  
7 of us. He was here on time. If any of my  
8 colleagues would like to have any opening  
9 statements, I'll ask them at this time.

10 COUNCIL MEMBER REYNA: Thank you,  
11 Mr. Chair. I do appreciate the opportunity to  
12 have this first hearing. I understand that there  
13 may be differences between the Department of  
14 Consumer Affairs and ourselves, but we hope that  
15 you have an open mind as to the reasons why this  
16 industry, hard-working drivers as well as business  
17 owners deserve an opportunity to be heard. This  
18 is an opportunity to seek a re-regulation of  
19 rates. We're seeking parity for the industry.  
20 We're talking about well over 500 businesses in  
21 the City of New York. These are the small  
22 businesses that provide local work opportunities  
23 for our local workforce. Without these businesses  
24 we would be seeing a higher unemployment rate. I  
25 want to point out several different factors.

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2 Along the past eight years or so, we've seen an  
3 increase in the light duty tow truck industry for  
4 60% of their equipment has been raised as far as  
5 costs are concerned. We've seen in the heavy duty  
6 tow truck industry over 100% in equipment costs  
7 has been increased. Fuel increases from under  
8 \$1.90 to an average of \$4.00 in most recent years.  
9 Insurance has increased well over 50%, so that  
10 rates for insurances have doubled. There have  
11 been property taxes that have increased about 40%.  
12 In relation to other regulated cities, New York  
13 City rates are much lower. We must consider all  
14 factors to properly and responsibly regulate the  
15 towing industry. Without the proper regulation,  
16 we can lose over 500 businesses and that is the  
17 major point that I want to raise here today at  
18 this hearing. Raising the rates is not to ensure  
19 the business owners likelihood of remaining in  
20 operation, but also the issue of having a  
21 workforce that will continue to be employed. I  
22 consider this a well-deserved rate adjustment. I  
23 hope that the Department of Consumer Affairs will  
24 perhaps at a later date meet with us to consider  
25 where they disagree but also where there are



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points to agree. Thank you so much.

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CHAIRPERSON COMRIE: Testifying on behalf of the Department of Consumer Affairs is their Director of Legislative Affairs, Mr. Andrew Eiler and we're also joined by Ms. Fran Freeman, the Deputy Director for the Department of Consumer Affairs. Good morning, Andy. I'll turn the mike over to you.

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ANDREW EILER: Good morning, Mr. Chairman and member of the committee. I'm Andrew Eiler, Director of Legislative Affairs for the Department of Consumer Affairs. Commissioner Mintz asked me to thank you for the opportunity to appear before you to express our opposition to Intro 708-A, a bill that would strip away substantial and critical protection for consumers faced with non-consensual tows and at the same time significantly increase the fees which towing companies could impose. Simply put, this bill repeals a host of consumer protections in the law, including price gouging. This bill then proposes substantial increases in fees towing companies could impose on consumers, most particularly and egregiously when assessed for tows that are not

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2 made with the consent of the consumer. By far the  
3 single biggest concerns expressed by individual  
4 New Yorkers and community groups as it relates to  
5 towing revolves around unauthorized and aggressive  
6 towing from commercial parking lots. Yet rather  
7 than tighten regulations to address these  
8 widespread concerns, this bill actually seeks to  
9 eliminate existing protections. This bill zeros  
10 in on but then unfortunately seeks to strip away  
11 the critical consumer protection regarding fees  
12 New Yorkers can be charged when their cars get  
13 towed away from accidents. By essentially  
14 deregulating the carefully crafted rate guidelines  
15 in the current law, the bill essentially asks the  
16 consumer who himself or herself may be injured and  
17 whose car is damaged in an accident to give a  
18 blank check to the towing company that swoops in  
19 to grab that car from the accident scene. The  
20 bill seeks a substantial 157% increase in  
21 rotational tow program rates could be allowed to  
22 charge and also calls for 67% increase in storage  
23 fees at a yard to which the consumer's car is  
24 involuntarily brought. It also gives free reign  
25 to towing companies to add on extra fees at will.

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2 One might just begin to imagine these being added  
3 for, among other things, moving the car,  
4 safekeeping personal property in the car, viewing  
5 fees to allow appraisers to examine damaged  
6 vehicles and transfer fees to allow another tow  
7 or to pick up a damaged vehicle to be repaired  
8 elsewhere. We call upon the committee to reject  
9 this bill. Thank you for the opportunity to  
10 testify and I would be glad to answer any  
11 questions you may have at this time.

12 CHAIRPERSON COMRIE: We're joined  
13 by Council Member Charles Barron were joined by a  
14 group of young ladies that hopefully are  
15 interested in volunteering in government or  
16 participating in government. I don't know where  
17 you ladies are from, I hope you're New Yorkers but  
18 if not you can move to New York. You don't want  
19 them to move, we can have them move all to your  
20 district, Charles. Andy, you're pretty succinct  
21 and focused. You're concerned primarily about the  
22 issue of what happens at the site of a tow  
23 location, whether it's a DARP or ROTOW, the issue  
24 of Section 20-509 where we would talk about the  
25 charges for the towing of the vehicles and how

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2 those would be amended and regulated. What do you  
3 think your most primary concern regarding is  
4 regarding that?

5                   ANDREW EILER: Well, basically,  
6 aside from the issue of in some way the very  
7 substantial increases in some rates, were talking  
8 167%, 131%, 106% for some of the tow rate  
9 increases in the inflation factor in the time the  
10 rates were last increased is 19% according to the  
11 federal government. These are like eight times as  
12 much or six times as much. This is one aspect of  
13 the situation. The other aspect of the situation  
14 is particularly the one provision in the bill  
15 that's being repealed is the one that currently  
16 the law says that unless a rate or fee is  
17 expressly authorized to be charged, a towing  
18 company can't charge it. By repealing that  
19 provision essentially changes the law from saying  
20 that you can't charge anything unless it's  
21 authorized, you can't charge it unless it's  
22 prohibited and unless a rate or fee is prohibited,  
23 a towing company can now add on anything it wants  
24 to the rates that are set by law. So effectively  
25 the cap in the rate is no longer a meaningful cap

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2 because as we've seen towing companies have sought  
3 to add various kinds of fees to the charges  
4 consumers have to pay such his yard fees, moving  
5 fees, safekeeping fees, and there's no limit to  
6 what they can and. So that's a critical change in  
7 the structure. There are other aspects in a  
8 situation like. Currently, it specifies that the  
9 car has to be towed back to the storage facility  
10 like in DARP and ROTOW that's been approved by the  
11 commissioner to be part of the program. That's  
12 changed, because that's been stripped out now.  
13 It's unclear now what's going to be in there.  
14 Another critical part is that you're talking about  
15 towing from private parking lots. Currently, the  
16 provision that's being repealed includes the  
17 requirement that it be pursuant to a contract  
18 between the towing company and the property owner.  
19 Secondly, not only that, the tow would have to be  
20 if the signage is posted that the car is parked  
21 improperly relating to the signage. The property  
22 owner would still have to put signage up with the  
23 department has no control over the property owners  
24 activities. We, however, through the way the law  
25 is now set up to have ability to regulate and deal

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2 with the conditions under which the tow is done  
3 and it sure that it is done with properly posted  
4 such. So I think the bill doesn't enormous change  
5 in reducing the protections that would be  
6 available to consumers in these very critical non-  
7 consensual situations.

8 CHAIRPERSON COMRIE: I don't think  
9 I disagree with that element of it, but do you  
10 think there is a need in light of the fact, as  
11 Council Member Reyna was saying, the cost of  
12 business has gone up for this industry, clearly,  
13 in terms of gas, in terms of insurance, in terms  
14 of property taxes that there is a need to do a  
15 rate increase? How were the current rates that  
16 were assigned for the different programs  
17 calculated by the department?

18 ANDREW EILER: It was done by the  
19 Council. The last time it was changed, the  
20 department didn't have a position on it. I think  
21 based upon inflation factors and there was some  
22 change in what the towing fees encompassed. For  
23 example, if I remember correctly, with a DARP tow,  
24 it changed from the \$50 and the storage fees to  
25 where the first day of storage was folded in and

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2 increased the fee that could be charged somewhat  
3 above what the first day of storage and the tow  
4 for the mileage and everything else. So the fees  
5 were recast. If were talking about simply raising  
6 the numbers in the law and leaving everything else  
7 alone, simply talking about changing in increasing  
8 the fees, I think that's something we would  
9 certainly look at that. That would be up to the  
10 Council. The council sets the fees benefits  
11 within some realm of reason that would be up to  
12 the Council.

13 CHAIRPERSON COMRIE: So you would  
14 support a reasonable increase. Has the Department  
15 of Consumer Affairs talked about any rates with  
16 the industry? Have there been meetings with the  
17 industry about any type of rate increases at all?

18 ANDREW EILER: No, we have not.  
19 Like I say, generally the position of the  
20 department in the past has been that rate  
21 increases within some reasonable ballpark is  
22 something up to the council. We enforce whatever  
23 rates the council sets. We we're talking 167%  
24 that takes your breath away.

25 CHAIRPERSON COMRIE: I hear what

1  
2 you sing. I'm just throwing out questions for the  
3 public to understand the issue better. How is  
4 that currently regulated for towing from  
5 commercial lots? Is that under DCA regulation as  
6 well?

7                   ANDREW EILER: Actually, the law  
8 itself is under the DOT, it's under Title 19.  
9 However, towing from private property can only be  
10 done by licensed towers. Therefore, the way the  
11 requirement that the signage be posted and that  
12 they can tow only under that and they can only  
13 charge the fees that are authorized by the law,  
14 our regulation of the towing industry gets us into  
15 ensuring compliance with those requirements of the  
16 statute. All licensees of ours are required to  
17 comply with applicable laws to their licensed  
18 business and of course those are applicable laws,  
19 applicable to their licensed business. So they  
20 come under our jurisdiction. So that's how we end  
21 up enforcing those requirements in Title 19.

22                   CHAIRPERSON COMRIE: A commercial  
23 lot versus a private lot is determined by whom,  
24 you or DOT?

25                   ANDREW EILER: The law specifies



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2 the conditions under which towing can be done from  
3 private parking lots, commercial parking  
4 facilities. The key part is the signage is  
5 supposed to tell people. And we have a rule that  
6 specifies how the signage has to be on the lot,  
7 the information it has to supply, so that  
8 consumers are clearly informed when they are  
9 authorized to park and when they are not  
10 authorized part and the car would be subject to  
11 towing and what it would be. That's basically all  
12 we do with respect to that. Private property  
13 owner can determine the conditions under which  
14 people can park on their property. As long as  
15 they tell people, then people are not supposed to  
16 be parking in violation of those instructions and  
17 towing companies can then remove the cars and  
18 charge the authorized fees.

19 CHAIRPERSON COMRIE: Does a private  
20 property owner have to notify the Department of  
21 Consumer Affairs that they're putting up the  
22 signage?

23 ANDREW EILER: No.

24 CHAIRPERSON COMRIE: They don't  
25 have to? But they have to follow the guidelines.

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2           ANDREW EILER: They have to follow  
3 the guidelines. They have to put signage up and  
4 all the rest of that stuff. But that's where the  
5 contract comes in between the towing company and  
6 the property owner. Also the way the law is, the  
7 property owner is supposed to sign off on each  
8 tow.

9           CHAIRPERSON COMRIE: But you right  
10 now depend on the towing company to tell the  
11 property owner what the proper signage is.

12           ANDREW EILER: It works both ways.  
13 Because essentially we say you can't tow unless  
14 the proper compliant signage is posted. The law  
15 also tells the property owner that they have to  
16 put the signage up. They also are supposed to  
17 have a written contract under which the towing is  
18 done. So if you're a good towing businessman,  
19 you're going to put in your contract that the  
20 property owner will put up the proper signs, or  
21 you're going to make some arrangements to make  
22 sure that the proper signs are on the lot.  
23 Otherwise you can't tow and you can't charge the  
24 fees. All sorts of things fall apart if it's not  
25 done properly.

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2                   CHAIRPERSON COMRIE:  When you're  
3 talking about private property, you're talking  
4 about everything other than the streets or the  
5 curbs.  I wouldn't want consumers to think they  
6 could put a sign in front of their house.  I  
7 actually get calls on a semi-regular basis where  
8 people are complaining about people parking in  
9 front of their house on the sidewalk for extended  
10 periods of time.

11                   ANDREW EILER:  That's different.  
12 Driveway is different though, too, because  
13 property owners can move the driveways.  Another  
14 wrinkle to that is there are some private streets  
15 in the City of New York, Forest Hills being the  
16 prominent, where those are really private streets  
17 and you can't park there.

18                   CHAIRPERSON COMRIE:  That's what my  
19 constituents use as a reason why they want to put  
20 some signs in front of their property.  Because  
21 they've gone to Houston Street and caught a ticket  
22 and then they want to know why they can't get that  
23 same opportunity on their streets as well.

24                   ANDREW EILER:  And there the cars  
25 can be booted.

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CHAIRPERSON COMRIE: How is a private street noted?

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ANDREW EILER: We're outside of the scope of what we're talking about here, but on private streets, the signs are required to be at the point where the private street intersects with the public street. So all of those entrances are required to have the signage that tells the conditions under which you can park, what the fee is and so forth. The requirements are there. That's the only place the signage is required to be, so that the people driving on to the private street are warned that of the conditions.

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CHAIRPERSON COMRIE: Is it just at the entrance and not in the middle of the street?

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ANDREW EILER: Just at the entrance where the private street meets the public street. People driving in there are then warned what the situation is. I know that Forest Hills puts up signs within the areas that further warn people about no parking and so forth. Those signs are different. That's something they've put up.

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CHAIRPERSON COMRIE: What about Stuyvesant Town and those streets in there?

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ANDREW EILER: Stuyvesant Town

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streets I think probably are private. I'm not

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sure. I have no idea what the streets there are.

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CHAIRPERSON COMRIE: This is going

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to come up and somebody is going to look at this

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and wonder about their street. So I just wanted

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to get that out there before we go back to the

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topic. I know Council Member Reyna is jumping to

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ask questions. But my main question and the

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reason why they came up with \$185 is because

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that's what the city charges when you get your car

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towed if they seize you for tickets. The minimum

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tow rate that you get towed to any of the tow

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pounds is \$185. So that's the reason why the

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industry is asking for \$185 to match the amount

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the city is charging for towing you if they grab

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your car on any street in the city and take it to

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a tow pound. Do you know why the city is charging

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that much?

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ANDREW EILER: That's not an area

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that I know, but I think what's folded into that

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fee is more than just the cost of business, but I

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really don't know on what basis the police

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department has set those fees.

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2 CHAIRPERSON COMRIE: I'm going to  
3 defer to Council Member Reyna and Council Member  
4 Barron who both have questions. Council Member  
5 Reyna?

6 COUNCIL MEMBER REYNA: I was just  
7 trying to get the correct pronunciation of your  
8 last name. Eiler?

9 ANDREW EILER: Eiler.

10 CHAIRPERSON COMRIE: I was right.

11 COUNCIL MEMBER REYNA: Mr. Eiler, I  
12 just wanted to go back to what you were referring  
13 to on the last question that Council Member Leroy  
14 Comrie was asking. NYPD charges \$185 but you're  
15 not familiar with the details of what those  
16 charges encompass.

17 ANDREW EILER: The police  
18 department sets those. Their issues are different  
19 I think than a business in terms of what is being  
20 done in operating a business and how those rates  
21 were set.

22 COUNCIL MEMBER REYNA: You perhaps  
23 think that there is an additional charge for a  
24 storage facility perhaps or they're already  
25 adjusted in the \$185 fee?

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2                   ANDREW EILER: The thing is we're  
3 talking about a traffic enforcement issue with the  
4 police department. The basis on which they  
5 calculate what the costs are and what's folded  
6 into those charges is different than what we're  
7 looking at with regard to non-consensual towing.  
8 When the police department tows a car, you have a  
9 car that's illegally parked. When you're talking  
10 about towing a car DARP, it's not illegal; it's an  
11 accident damaged car. What you're talking about  
12 there is that the police department is the only  
13 organization that is authorized to call a towing  
14 company done through a rotational system. The  
15 reason for moving it and having this system in  
16 place is to eliminate chasing, to ensure that the  
17 cars are expeditiously removed so that traffic can  
18 be moving again and so forth and so on. So what  
19 you're talking about is a very different kind of  
20 towing situation when you're dealing with police  
21 department tows involving illegally parked  
22 vehicles where you can't stand, you're blocking  
23 traffic and so forth and so on, and you're talking  
24 about these kinds of situations where you have  
25 private towing. I mean it's non-consensual towing

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2 with the consumer because he doesn't agree to the  
3 rates. So it's a whole different ballgame whereas  
4 a violation of a law is a very different matter.

5 COUNCIL MEMBER REYNA: The police  
6 department also issues summonses and not  
7 necessarily tows if there is illegal parking.

8 ANDREW EILER: That's correct.

9 COUNCIL MEMBER REYNA: So the  
10 enforcement of illegal parking can be dealt with  
11 in one of two ways.

12 ANDREW EILER: The illegal parking  
13 is not an area that I'm dealing with.

14 COUNCIL MEMBER REYNA: Well you're  
15 referring to it, so I just want to make sure that  
16 we have an understanding. The towing industry is  
17 in the business of towing, not the NYPD. But the  
18 NYPD is in the business of enforcement and so  
19 issuing summonses is their primary action.  
20 Secondary would be towing. I referenced \$185 as a  
21 rate because that's the rate that they charge.  
22 I'm trying to understand as to how they were able  
23 to choose an arbitrary figure of \$185.

24 ANDREW EILER: Again, that's a  
25 police department issue. How they've calculated



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2 what that fee ought to encompass, I'm not in a  
3 position to comment on their basis for making that  
4 calculation.

5 COUNCIL MEMBER REYNA: So it's not  
6 a local law?

7 ANDREW EILER: I'm not familiar  
8 with what those requirements are, traffic and  
9 whatever. That's not the towing issue that we're  
10 talking about here. The other thing is when  
11 you're talking about law enforcement, when you're  
12 using towing as law enforcement for traffic, what  
13 we're talking about is a car that may be blocking  
14 traffic that has to be removed immediately. The  
15 universe that we're dealing with is very different  
16 with the police department involved enforcement  
17 and what we're talking about consensual private  
18 towing by private towing companies. That's the  
19 part I'm familiar with.

20 COUNCIL MEMBER REYNA: So if we can  
21 just reference the other two city agencies, such  
22 as the New York City Marshals and the Sheriffs.  
23 When there's a need to tow, they would contract  
24 out the business of towing. In contracting out,  
25 they will pay a contractual agreement of \$185 for

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2 that tow. So why would we not want to bring  
3 parity to the towing industry so that we can re-  
4 regulate and there would be one rate as opposed to  
5 many different rates?

6                   ANDREW EILER: Again, I've already  
7 indicated that basically the towing rates were  
8 established; the Council established the schedule  
9 that we have for the various types of towing.  
10 Things were considered in terms of what was  
11 reasonable in terms of setting those rates that  
12 was reasonable for the business to operate,  
13 particularly with respect to when you're dealing  
14 with non-consensual tows where the consumer has no  
15 say in whether and by whom and for how much the  
16 car is going to be towed. So in those situations  
17 and that's the numbers that were determined to be  
18 reasonable for the industry and for consumers.  
19 What you're dealing with in all these other  
20 enforcement situations is a very different kind of  
21 towing that is not the basis on which the non-  
22 consensual private towing business is conducted  
23 under. So I'm not sure that it's possible to  
24 equate and say to make it just parity because  
25 there are different things that go into the mix.

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2

And unless one takes apart the mix, one doesn't know what should be folded into it and what's reasonable to be folded into it.

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COUNCIL MEMBER REYNA: So what is in the mix of these three city agencies?

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ANDREW EILER: They're law enforcement.

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COUNCIL MEMBER REYNA: So law enforcement towing away private vehicles for one reason or another and let's say it's an accident.

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ANDREW EILER: No, then it would be DARP.

13

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COUNCIL MEMBER REYNA: And DARP charges.

15

16

ANDREW EILER: What the law sets.

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COUNCIL MEMBER REYNA: Which is?

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ANDREW EILER: Well, \$80 plus the storage and so forth after so many days, depending on the size of the vehicle up to 10,000 pounds and over. So they have different rates.

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COUNCIL MEMBER REYNA: The different rates are necessary because you're taking into consideration?

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ANDREW EILER: Well the last time

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2 it was changed, when the poundage was set up--

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COUNCIL MEMBER REYNA:

4

[interposing] And when you say the last time

5

you're referring to?

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ANDREW EILER: 2002.

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COUNCIL MEMBER REYNA: 2001.

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ANDREW EILER: Well, 2001 the law

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went into effect, but it became effective 2002.

10

At that time when that change was made there was a

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distinction created between cars up to 10,000

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pounds and over 10,000 pounds in the DARP program.

13

The lower rate was set for the smaller cars

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because they could be towed with smaller

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equipment. That's a whole different ballgame. So

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a distinction was created between the larger

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vehicles which would require larger trucks, which

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would be more complicated and so forth, and the

19

smaller vehicles which could be more easily towed.

20

That was the basis for the distinction and the

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tows and the cost of the towing. So basically, to

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charge the same fee for a 1,500 or 2,000 or 3,000

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pound car as for a 4 ton truck, you know, we're

24

talking anything up to 7.5 tons when you're

25

talking about over 10,000 pounds. DARP goes up to

1  
2 7.5 tons. So there's a reasonable distinction  
3 there between the two rates.

4 COUNCIL MEMBER REYNA: There's a  
5 distinction between the two rates as far as the  
6 private property a tow is \$100, for DARP it is  
7 \$80. But would agree that DARP and arterial  
8 highways are the most dangerous and more technical  
9 of the towing procedures in the City of New York?  
10 As far as towing is concerned, DARP is the  
11 category where towing is the most difficult  
12 because you're on the highway or there's an  
13 accident and so therefore you're exposing your  
14 driver to have to expose himself to the  
15 environment of oncoming traffic. So therefore  
16 that particular industry for towing under DARP  
17 requires more training, requires for there to be  
18 more advanced equipment. The manpower may have to  
19 be assigned an additional person. So therefore it  
20 would require a higher rate. But in fact, a  
21 private property has the higher rate than the  
22 DARP. In that instance do you feel there's a need  
23 to take those factors into consideration?

24 ANDREW EILER: Well I think those  
25 factors were taken into consideration when the

1 rates were set the way they were. I mean, in  
2 terms of the danger or whatever, keeping in mind  
3 that when there's an accident the police are on  
4 the scene and the police on the scene will be  
5 holding traffic. So it's not exactly as though  
6 this is being done in the middle of freeway speed  
7 traffic. The point being that, yes, the rates  
8 were set based upon what the Council deemed to be  
9 reasonable. If you want to increase them or  
10 change them, some of the relevant issues are if  
11 they were reasonable as set when it was done,  
12 there's a lot of reasons besides just the towing  
13 that the industry or people want to tow cars. One  
14 of the reasons they want to tow accident cars is  
15 the car repairs. Because when your car is towed,  
16 when you're in an accident, you want to repair it.  
17 So that car usually what you have is towing  
18 companies are involved in the program because they  
19 would like to have people tow their cars to their  
20 repair shops. So the towing is not necessarily  
21 the business that they're primarily seeking to  
22 make the money on. So you have to take into  
23 consideration much wider and different range of  
24 factors than comparing it simply to enforcement by  
25

1  
2 the police department or doing this or doing that.  
3 That's the basis on which the rates were set; I  
4 imagine when the Council considered them. So the  
5 question would be what would be a reasonable  
6 change in what those rates are.

7 COUNCIL MEMBER REYNA: But you're  
8 not saying that every towing industry has an auto  
9 shop for body work.

10 ANDREW EILER: No, I'm not. That's  
11 true, they don't. But there are only about 180  
12 some companies out of the 500 and some who are  
13 licensed are in DARP and ROTOW, so not all of them  
14 are involved in DARP and ROTOW. The ones that  
15 choose, generally speaking, the companies that are  
16 in DARP do have repair facilities. They also have  
17 repair shops because the two things are tied  
18 together. Like I say, it's not simply the tow  
19 that's the issue; the tow that's the germane  
20 question. So however the Council decided that's  
21 the basis on which those rates were set. And  
22 obviously, the Council is in a position to change  
23 the set up. But it seems reasonable to consider  
24 what might be a reasonable rate increase that  
25 consumers would have to pay in these

1  
2 circumstances. For example, from a commercial  
3 parking lot, for somebody who ran across the  
4 street in a shopping center and maybe violated the  
5 parking regulation to be suddenly hit with \$185  
6 fee plus other things, charges and whatever that  
7 the towing company might want to impose is going  
8 to be a horrendous situation. Those consumers are  
9 not going to be happy.

10 COUNCIL MEMBER REYNA: The same is  
11 true with the NYPD charging \$185 for enforcement.

12 ANDREW EILER: But keeping in mind  
13 that it's a different kind of illegality.

14 COUNCIL MEMBER REYNA: I understand  
15 there is a difference in legality. But the same  
16 is true; the consumer is not going to be happy.

17 ANDREW EILER: But there's a  
18 difference between when a law says it's illegal to  
19 park and it's another thing when you ask people to  
20 come in because you make your parking lot  
21 available. And of course, yes, you want to clear  
22 the parking lot and so forth and some consumer  
23 runs across the street. Well that's a violation  
24 of the rules and then people get hit with \$185.  
25 If the Council wishes, they could do that. There



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will be a lot of unhappy constituents.

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COUNCIL MEMBER REYNA: As far as the individual companies that along the years, since the law was enacted in 2002, passed in 2001, for a rate adjustment being the last in our book to factor in cost of living. Since then obviously you've seen fuel go up, property taxes have gone up. All of these factors have not been considered. So the percentage you were referring to on an annual basis for the last seven years.

ANDREW EILER: The price level increase from 2002 to 2008 has been 19%.

COUNCIL MEMBER REYNA: And in one year we raised property taxes by how much? 18%? So we're trying to factor in the issues that are clearly elements of the industry. Unfairly mentioning how 160% increase is too exorbitant, but when you start calculating a per year cost of living, it may not be as exorbitant. So we want to just make sure that when we are expressing the concerns of the towing industry and the rate adjustment that is being requested that we do so in a fair manner. The issues that have been presented are factual. Fuel costs have gone up.

1  
2 There was no increase. Property taxes have gone  
3 up. There was no increase. The particular  
4 industry is perhaps less in operation; individuals  
5 who do need towing services may not be happy with  
6 the towing services because they don't have the  
7 personnel necessary to keep the businesses running  
8 in the best of customer services would provide.  
9 So I just wanted to point out those particular  
10 elements. I understand the issues you've raised  
11 as far as enforcement and the city agencies we  
12 referred to with trying to keep the law in full  
13 operation and followed. I just wanted to make  
14 sure that we can agree on the need for a rate  
15 adjustment. Clearly, you have mentioned where  
16 there's a need of rate adjustments we can  
17 certainly speak, but you also want to highlight  
18 some of the additional fees that perhaps should  
19 not be imposed as well.

20 ANDREW EILER: I've already  
21 indicated that certainly the rate should be  
22 considered and reviewed as to what a reasonable  
23 rate is. Throwing out 19% is the change from 2002  
24 to today. That's a total change, it's not an  
25 annual. That's what it is for that period. So

1  
2 that's what we're talking about in terms of price  
3 levels. That's what price levels have changed  
4 from 2002 to today. Now there may be other things  
5 because there could be differences in terms of  
6 what the prices are to this particular industry  
7 that would warrant a different figure. That's all  
8 things that would be proper to take into  
9 consideration in terms of coming up with the new  
10 rate.

11 COUNCIL MEMBER REYNA: I look  
12 forward with working with the department, the  
13 chairman and the industry to just try to figure  
14 out where there is a need and to measure up to  
15 that rate adjustment that would be fruitful for  
16 all. Thank you.

17 ANDREW EILER: We're here and we'll  
18 be glad to have a discussion.

19 CHAIRPERSON COMRIE: Thank you,  
20 Council Member. I just want to note that we've  
21 been joined by some high school seniors from  
22 Collegiate and Brearley Schools, which I hope I  
23 said right, who are here today as part of their  
24 2009 Public Service Day. They're here today to  
25 lobby Council Members. They are going to be

1  
2 meeting with Council Members Alan Gerson, Dan  
3 Garodnick, Jessica Lappin, Gale Brewer, Robert  
4 Jackson, Melissa Mark-Viverito, Inez Dickens,  
5 Miguel Martinez, myself, Letitia James, Larry  
6 Seabrook, and Kenneth Mitchell. I haven't said  
7 his name yet. He's the newest Council Member.  
8 They're going to be listening to a presentation of  
9 the importance of civic engagement and advocacy in  
10 the City Hall later today. Their primary concern  
11 right now is they're all high students and they  
12 want to know about the MTA fare increase since  
13 they all take the trains to get to school  
14 primarily. That was their primary question to me,  
15 but I hope that they continue to ask questions and  
16 continue to probe and hopefully they will be  
17 involved in public service. They're going to sit  
18 in for the hearing for a little while this  
19 morning. Thank you for being here. I want to  
20 thank the Voter Assistance Commission and the  
21 Executive Director Onida Coward Mayers for  
22 bringing them to City Hall today. Now we'll hear  
23 from Council Member Charles Barron.

24 COUNCIL MEMBER BARRON: Thank you  
25 very much, Mr. Chair. My colleague, Diana Reyna,

1  
2 I notice that you said that we'll be meeting with  
3 the administration, we'll be meeting with other  
4 Council Members, we'll be meeting with the towing  
5 industry, but we are the Consumer Affairs  
6 Committee. I'm extremely sensitive to the towing  
7 industry, the loss of jobs, the difficulties in  
8 the raising of everything, but that's going on  
9 with consumers too. Consumers also have to pay  
10 more for fuel. Consumers also are being called on  
11 to bail out the MTA and raise the fare and even  
12 maybe tolls on bridges. Consumers are also paying  
13 higher taxes on their properties. I think this  
14 bill is ridiculous to be honest with you. I think  
15 it's overprotecting of the industry. I'll  
16 probably lose some friends over here. But the  
17 bottom line is that we are the Consumer Affairs  
18 Committee. I also think you should be outraged by  
19 the police department charging \$185 and saying  
20 "gouging" to the police department and the other  
21 marshals and agencies. I don't care if it is a  
22 different service, a different reason, you should  
23 still be speaking out against what they're doing  
24 as well. It's hypocritical and inconsistent for  
25 you to come here and have problems with raising

1  
2 the rates here and try to explain away what the  
3 police department is doing. I think all of it is  
4 outrageous. I think all of it is much too much.  
5 We've got to come up with more creative ways of  
6 saving industries and saving agencies other than  
7 the consumers. Not only are you going to tow our  
8 car, you're towing a lot of money out of our  
9 pockets. Our people just can't afford that.  
10 Can't afford to save your industry because we're  
11 at a point now where people are losing their homes  
12 to foreclosure, they're losing jobs, unemployment  
13 is hitting the ceiling and you're talking about  
14 maybe losing. People lost their jobs; don't even  
15 have jobs, so all of us are suffering. So for  
16 this committee to be overly protective of the  
17 towing industry and putting the consumers at this  
18 kind of rate increase and all the other things  
19 that you mentioned to go along with the rate  
20 increase, it's almost like deregulating the  
21 industry. It's ridiculous. We're supposed to be  
22 here to protect the consumers, not to deregulate  
23 and allow for this kind of increase to go on. I'm  
24 adamantly opposed to this bill, at the risk of  
25 losing friends. We have to protect our consumers.

1  
2 This is much too high. I don't know how often are  
3 you towed for criminal reasons and how often are  
4 you towed for accidents. I don't want them to be  
5 equal to someone else who is already ripping us  
6 off. So we want to give equality to rip-off. So  
7 they're ripping us off for \$185 and that's not  
8 fair, so let them rip off for \$185 too and then  
9 it's all fair, so equitable distribution of rip-  
10 off. It doesn't make any sense. To me, we've got  
11 to look at other ways. We should defeat this  
12 bill, revise it, change it, and do what you have  
13 to do to protect consumers. We are the Consumer  
14 Affairs Committee. We are not the towing industry  
15 committee and we're not the ROTOW committee.  
16 We're none of those committees. We are the  
17 Consumer Affairs Committee and this is anti-  
18 consumer. This hurts the consumer. I don't think  
19 we should put this entire burden on struggling  
20 working class families in New York City who are  
21 more readily victims of towing to protect an  
22 industry. I think we need to rethink this bill.  
23 If there is something that we can sit down with  
24 the industry to do that we protect consumers  
25 first, then the industry and work out with the

1  
2 administration, I'm open for that. This doesn't  
3 do it. This is going much too far with  
4 deregulation and too great of an increase. We  
5 increased it in 2001, 2004, and what are we going  
6 to do next year? What are we going to do when the  
7 prices go up five years from now? This stuff is  
8 always going to go up. Do we lack any creativity  
9 in thinking that we just say it goes up, get the  
10 consumers? That's how I feel. It's very  
11 difficult for me to express my real feelings  
12 sometimes but I think I did a good job. On the  
13 real side, I think we need to really rethink this.  
14 I think this is a big, big mistake.

15 COUNCIL MEMBER REYNA: As well as  
16 NYPD.

17 COUNCIL MEMBER BARRON: As well as  
18 NYPD. Two wrongs don't make a right.

19 CHAIRPERSON COMRIE: Right.  
20 Councilman, you brought up--

21 COUNCIL MEMBER BARRON:  
22 [interposing] I'm not finished.

23 CHAIRPERSON COMRIE: I'm sorry, I  
24 thought you were finished.

25 COUNCIL MEMBER BARRON: I was until



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2 Diana started talking to me. I know about the  
3 NYPD. But I'm just saying that if you think the  
4 NYPD is wrong, then why would you want to lift  
5 them to the same level? Well you just said, what  
6 about the NYPD, so I'm just responding to you.

7 CHAIRPERSON COMRIE: All right, let  
8 me move forward.

9 COUNCIL MEMBER BARRON: I'm  
10 responding to you. Should have left me alone and  
11 I wouldn't have said anything to you.

12 CHAIRPERSON COMRIE: Council  
13 Members, let me move forward.

14 COUNCIL MEMBER BARRON: Let me just  
15 wrap it up by saying I just think this bill is a  
16 bad bill. It doesn't protect consumers, it  
17 protects an industry over consumers and that's not  
18 what we're here for primarily. We have to be very  
19 concerned and sensitive to industries, but our job  
20 is to protect consumers. Thank you.

21 CHAIRPERSON COMRIE: Thank you,  
22 Council Member. You brought up a good point as to  
23 why we haven't looked at the issue of what the  
24 Police Department and DOT are doing as far as  
25 their towing regulations and fees are concerned.

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I think we do need to look at that. I do agree with you, we need to protect consumers and this is the Consumer Affairs Committee and this is the first hearing. You weren't here in the beginning when I said those things. So you came a little late, but that's all right.

COUNCIL MEMBER BARRON: Mr. Chair, I'm not talking about what you said, I'm talking about what this bill does.

CHAIRPERSON COMRIE: I understand.

COUNCIL MEMBER BARRON: This bill doesn't protect consumers. It goes against the intended purpose of this committee.

CHAIRPERSON COMRIE: No, this is the first hearing, and I agree with you that the sections of the bill that hurt consumers will definitely be readjusted.

COUNCIL MEMBER BARRON: All right. The whole thing.

CHAIRPERSON COMRIE: If this bill gets to a final phase. So I do agree with you 100% on that. I think that we do need to listen to all of the parties that are here today. I think we'll hear some divergent opinion on the

1  
2 whole issue. But I do agree with you, I think we  
3 do need to have a joint hearing with the  
4 Transportation Committee if necessary to find out  
5 why the city is charging such high rates and who  
6 regulates that. A friend of mine got towed the  
7 other day and wound up having to pay \$700 when he  
8 only had \$300 in tickets. It doesn't make sense.  
9 So that's something that we do need to look at.  
10 We've been joined by Council Member Jim Gennaro  
11 from Queens. Any questions for Mr. Eiler, Jim?

12 COUNCIL MEMBER GENNARO: Thank you,  
13 Mr. Chairman. I just want to apologize for being  
14 late the hearing. I had a thing before this and I  
15 have a press conference right now. I just want to  
16 thank you for your leadership. I think that a  
17 hearing with DOT is in order. I think that would  
18 be the best way to go forward. I would ask that  
19 my name be added as a sponsor to your bill, Mr.  
20 Chairman. Thank you.

21 CHAIRPERSON COMRIE: Thank you.  
22 Mr. Eiler, before you leave, the issue of consumer  
23 protection, as Council Member Barron has stated,  
24 is important to this committee and me as you know.  
25 We're going to sit down and try to do everything

1  
2 that we can to ensure that the consumers are not  
3 over regulated or put in a situation where they're  
4 in a confused situation about their tow rates. I  
5 just want to be clear, I agree with you on that  
6 100%. There's no reason why we cannot do things  
7 to make sure that whatever happens, the issues  
8 that engage the consumer especially in a situation  
9 like this, probably when they're in an accident  
10 and thinking straight that there are regulations  
11 and a clear set of responsibilities so that there  
12 wont be any ambiguities as far as what additional  
13 costs they're facing. I just want to be clear on  
14 that part. I do hope that we can sit down with  
15 the industry and will all parties to have a full  
16 and open discussion about all of their issues,  
17 because clearly there are reasons and I think  
18 positive reasons on all sides of this issue. This  
19 is the first hearing, so I look forward to those  
20 discussions. I don't have any other questions, I  
21 just would ask you, as the department has been  
22 very proactive, that you hopefully will give an  
23 opportunity to have that joint meeting. Or if you  
24 have that meeting individually, please give us an  
25 update.

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ANDREW EILER: Thank you, Mr.

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Chairman, certainly.

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CHAIRPERSON COMRIE: Just on a

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different topic before you leave, I understand

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that the citywide shredding program is going to be

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in May.

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ANDREW EILER: Yes.

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CHAIRPERSON COMRIE: I heard about

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it secondhand again. I want to raise my umbrage

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that the Committee did not hear about it so that

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we could have been able to be involved in

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selection of sites or co-selection with the

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opportunity to tell our residents. I hope that we

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do get some fliers and notices in our offices so

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we could tell our civic and block associations

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that they would have the opportunity to do some

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major shredding. I don't remember what the

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locations were. I saw a flier secondhand. I just

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want to tell your commissioner that we'd like to

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know this ahead of time and not get it as

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secondhand information.

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ANDREW EILER: The message will be

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delivered.

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CHAIRPERSON COMRIE: Thank you.

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2 ANDREW EILER: Thank you.

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CHAIRPERSON COMRIE: Next we'll

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hear from the industry. Peter O'Connell from the

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Empire State Towing and Recovery Association and

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Joseph Robles from Empire State Towing

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Association. We'll do two at a time. You can

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start whenever you're ready.

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PETER B. O'CONNELL: Thank you, Mr.

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Comrie and members of the Committee. My name is

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Peter O'Connell. I am counsel to the Empire State

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Towing and Recovery Association, which is a

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statewide association of tow truck operators, many

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of whom are in the city and participate in these

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towing programs that are subject to this

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legislation. I also represent the Towing and

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Recovery Association of America, so I can bring a

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bit of a broader perspective of the issues to the

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fore, I believe. Commenting on Mr. Eiler's

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presentation, I will have to agree with him on one

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point, I think that we are overly broad in the way

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that we've dealt with the removal of fees from the

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private property tows. We inadvertently did

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remove language that dealt with the necessity of

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an agreement and that is a type of protection that

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2 should be in here. I would draw exception though  
3 to his characterization that the remaining  
4 sections of law will cause unauthorized towing  
5 charges to proliferate. I don't see how that  
6 could happen at all with what's been done in the  
7 bill. In terms of DCA's ability to sit down and  
8 talk with the industry, I think you're all aware  
9 that there is such a thing as a Tow Advisory Board  
10 to where they could have availed themselves of  
11 these opportunities over the years, but they  
12 haven't convened that board I think in at least  
13 five years. There was a lot of dialogue back and  
14 forth between Council Member Reyna and Mr. Eiler  
15 on the police rates of \$185. I think Mr. Eiler  
16 intimated that there was possibly a penal factor  
17 that was figured into that rate. As a matter of  
18 law, I believe the Councilwoman was correct that  
19 the penal portion of the process deals with the  
20 amount of the summons that is issued. Law is very  
21 particular in how agencies can set rates. They  
22 have to approximate the cost of regulating a  
23 particular activity. If they exceed that it  
24 becomes a tax and is impermissible. So they were  
25 duty bound in enacting those rates to determine

1  
2 that they were a legitimate response to their cost  
3 of administrating their agency. I just wanted to  
4 bring that point out. I'm not going to go through  
5 my entire testimony. I just want to highlight a  
6 few areas. I agree that the rate that we are  
7 seeking is dramatic, Mr. Barron. It's a very  
8 large increase. I would like to submit also that  
9 it's largely in response to a rate today that is  
10 extremely unfair. Congress, when they enacted the  
11 ICC Termination Act of 1995 specifically that non-  
12 consensual towing rates must be reasonable and  
13 compensatory. I would submit that the current  
14 rates that the city has are neither. In fact, I  
15 would even characterize them as being  
16 confiscatory. You have gone over in great detail  
17 how we arrived at the \$185 figure, so I don't have  
18 to go into that. It is a rate that is charged by  
19 the sheriffs, the marshals, the Department of  
20 Finance with the SCOFFTOW program and the police.  
21 We would argue very strongly that what's good for  
22 the goose is good for the gander and that our  
23 rates should be comparable to theirs. Dealing  
24 with rates from other cities, I've listed a few  
25 citations in my written testimony, principally



1  
2 with the City of San Francisco. I believe they  
3 may have the highest rates in the country at \$220  
4 for a police tow. California seems to have a  
5 monopoly on high rates as Oakland and Sacramento  
6 aren't far behind. Dallas, Texas is very high at  
7 \$212. I think it's significant to note that  
8 Baltimore, Chicago and Philadelphia all authorize  
9 rates of about \$150, which is significantly more  
10 than what we have in New York City at this time.  
11 Local communities around the city, I've emphasized  
12 Hempstead and North Hempstead in particular.  
13 Although their hookup rates seem to be comparable  
14 to the city's rates, they do have generous mileage  
15 allowances, which is something we don't have in  
16 the city rates. That brings their average tows up  
17 to the \$130-\$140 range. Smithtown is even higher.  
18 Their hookup rate is \$125 and they offer \$6 a  
19 mile. With these more rural areas, the lengths of  
20 the tows are generally longer. Their average rate  
21 is about the \$185 that we're seeking in this bill.  
22 I'm very familiar with what happens Upstate in  
23 dealing with towing rates. In most localities  
24 towing rates are not regulated. The state police,  
25 the sheriffs departments, local police departments

1 will require towers to submit their customary and  
2 usual rates to them. They will reject those rates  
3 if they deem them to be excessive. And for the  
4 most part, I find that they generally draw a  
5 distinction between a call of a tow truck and a  
6 flatbed, a distinction that I prefer not to make  
7 but most of them do. You'll find that most tow  
8 truck rates run between \$100 to \$125 and most  
9 flatbed rates are \$125 to \$150. One big factor  
10 with a lot of these rates they take a lot of  
11 additional consideration into play when you're  
12 dealing with an accident scene. The typical tow  
13 away where there's no accident involved, when  
14 there is additional work to be done at the scene,  
15 you'll generally find that the rates are very  
16 close to the \$200 mark. Again, considerably more  
17 than what's authorized in the city. I think that  
18 perhaps the most important factor to be considered  
19 here is to why we now find ourselves in this  
20 position. In 2001 the industry came before the  
21 City Council requesting a rate increase to \$125.  
22 At that time the industry was convinced that their  
23 request was fair and reasonable, that they were  
24 genuinely deserving of an increase from \$65 to  
25

1  
2 \$125. Prior rates have been depressed below that  
3 and at that time that was where they wanted to be.  
4 They wound up with an \$80 rate and \$70 for ROTOW.  
5 Those rates were not fair then and today since  
6 then we have had enormous increases in the cost of  
7 doing business that were well pointed out by  
8 Councilwoman Reyna. We all know the fuel costs,  
9 the insurance, the cost of equipment and  
10 everything else. We're behind the eight ball with  
11 the \$85 rate. We really need to bring the  
12 industry back to a sound financial footing. The  
13 \$185 will get us there. I think that if we had  
14 taken the bold step in 2001 and had gone with the  
15 \$125 today we would still be coming back to you  
16 for a raise, but it would be a very modest one,  
17 possibly to \$150 which is in keeping with most of  
18 the other jurisdictions that I mentioned earlier.  
19 That's the sum of my testimony. If you have any  
20 questions I would be pleased to answer them for  
21 you.

22 CHAIRPERSON COMRIE: Mr. Robles,  
23 would you like to add anything?

24 JOSEPH ROBLES: Good morning, Mr.  
25 Chair. I've submitted this presentation. In the

1  
2 interest of time and knowing that you want the  
3 justifications and a lot of this has been  
4 reviewed, the first few pages are more about the  
5 history of the Empire State Towing and Recovery  
6 Association and some of the charitable work that  
7 we're involved in. On Page 4 is the history of  
8 the DARP rates that's been discussed. Page 5 goes  
9 through the rotation rates, the arterial tow rates  
10 which have been discussed, and their raises on  
11 Page 6. So I would begin on Page 7 of my  
12 presentation. My function and my reason for  
13 testifying here this morning is that I am the New  
14 York City Regional Vice President for the Empire  
15 State Towing and Recovery Association. But I also  
16 do operate a towing company within the city,  
17 Knights Collision, which participates in all but  
18 the SCOFFTOW programs. On Page 7 I look at the  
19 increases that we've sustained in regards to our  
20 equipment for light duty towing equipment. We  
21 want to provide the best service. We want to have  
22 reliable equipment and have the latest, safest  
23 equipment for our operators. That with the  
24 increases in steel and overall shows where in 1997  
25 for me to get a state of the art light duty

1  
2 equipment fully operational ready to serve the  
3 city motorists would cost me around \$45,000 to  
4 \$50,000. If I were to make that purchase today  
5 that same type of equipment is going to cost me  
6 \$80,000 to \$85,000. This is an increase of 60%  
7 and it's a necessity. The city streets aren't  
8 best, as we all know, and it does take a toll on  
9 our equipment. We have to keep this equipment  
10 either in repair or replace them as time goes on.  
11 In addition to the light duty towing, our heavy  
12 duty towing equipment costs have gone up 112%.  
13 Again, steel going up in price and the cost to  
14 manufacture the equipment, in addition to  
15 improvements that the manufacturers build in, it  
16 costs an average price of a heavy duty tow truck  
17 to be around \$160,000 where today \$350,000 is not  
18 the most you're going to pay. You could pay close  
19 to half a million for some of the equipment that's  
20 out there. Again, we want to provide the best  
21 service to the motorists and clear these streets  
22 when there are accidents and disabled cars and  
23 trucks. In order for us to provide that service,  
24 we need to update and upgrade our equipment  
25 regularly. At that time is when we incur those

1 charges and experience those increases. On Page  
2 9, it's no surprise that one of the justifications  
3 for this rate increase is the cost of fuel. If I  
4 were manufacturing a tow truck body, my cost is  
5 going to be the steel and labor that goes into it.  
6 In operating a tow company, so much of our cost of  
7 goods sold is fuel, as far as a percentage of our  
8 sales. When that goes up as drastically as it's  
9 gone up over the past two years and it fluctuates  
10 as much as it probably will going forward, being  
11 such an enormous part of our cost, we've  
12 experienced increases over 200% in 2008. It's  
13 come down a little bit but we expect it to go up.  
14 Again, it's very volatile, it's a big piece of our  
15 cost and when we're regulated to the point where  
16 we can't tack on a fuel surcharge as a lot of my  
17 vendors have done, or just increase prices like  
18 your bakery may have gone up or the milk. Imagine  
19 if the guy in the grocery store could only charge  
20 what he charged in 2001 for milk and his costs are  
21 going up but he's regulated. This is what we're  
22 experiencing. So we haven't been able to adjust  
23 our rates and a big part of our costs has gone up  
24 over 200% and remains volatile. This is probably  
25

1  
2 one of the biggest reasons I feel this rate  
3 adjustment is justified. The data that I  
4 submitted, I have the website there. It's a  
5 government website that tracks fuel and it's  
6 actually for the northeastern part of the country.  
7 We find in the City of New York if you just go  
8 right over to Jersey, which would be included in  
9 the average, it's about 50 cents a gallon less.  
10 So the averages on there are actually below what  
11 we experience here operating in the five boroughs.  
12 Page 10 shows a graph of the prices from 2006 to  
13 2008 of the diesel fuel. Page 11, the Department  
14 of Energy website had a couple of paragraphs in  
15 there that explain the volatility of the prices  
16 and that it's something that's going to continue.  
17 We have to look at, as we go forward, how we could  
18 set a rate that is fair and takes into account  
19 these spikes. I started on this road to try and  
20 get this rate adjusted a couple of years ago. It  
21 takes a long time to get legislation changed.  
22 Tomorrow they'll put up a different price on that  
23 gas and diesel. Another thing that's happened,  
24 the last increase we received was in 2001 before  
25 the tragic events of 9/11. What happened after

1  
2 that was a lot of the money the insurance industry  
3 was making in the stock market wasn't there  
4 anymore. They were doing pretty well on their  
5 investments and that's great for them. In doing  
6 so, they really weren't adjusting their rates  
7 accordingly because they were doing well on their  
8 investments. That kind of turned upside on us.  
9 They readjusted their insurance premiums to  
10 reflect the risk they take insuring our industry.  
11 Unlike plumbers or electricians and other service  
12 industries that use a commercial vehicle to go  
13 out, park at the curb, bring their materials and  
14 supplies up to their work site, our vehicles are  
15 the work site. They're actually towing a lot of  
16 weight behind them that could break loose from an  
17 insurance company's standpoint and it's a bigger  
18 liability for them. They've increased our rates  
19 substantially. In '97 I would pay \$2,000 to  
20 insurance a light duty piece of towing equipment.  
21 On my last renewal, my light duty pieces were  
22 costing me anywhere from \$6,000-\$6,500 depending  
23 on the exact weight and the age of that vehicle.  
24 So that increase is also a big number and it's a  
25 big part of our expenses. So from '97 to 2009, my



1  
2 business has experienced an increase of 196% on  
3 insurance premiums. In trying to get a gauge of  
4 property and what it's costing the industry to  
5 maintain their properties where these vehicles are  
6 stored, since there's different areas in the city  
7 and maybe I pay more rent than the guy on the  
8 other side of the block or vice versa, I tried to  
9 get something that we could point at to say it's  
10 accurate. I went on the New York City Department  
11 of Finance website and as you can see in the  
12 graph, we have an increase of 48% in the New York  
13 City market value from 2004 to 2008. What I'm  
14 saying today is that is going to be realized in  
15 our leases and what we pay for property. When our  
16 leases come up and we negotiate what we're going  
17 to pay for our property, this is weighed heavily  
18 into it. So if our landlords could sell it for X  
19 amount, for them to keep it they say well, we need  
20 this amount in rental or else I'm going to sell it  
21 to a developer. We have to step up and pay that  
22 increased amount. On Page 14, I listed the other  
23 regulated tow and storage rates around the  
24 country. As Peter testified, San Francisco is the  
25 highest at \$220. Dallas is at \$212. Oakland is

1  
2 at \$180. These are big cities. The cost for a  
3 square foot of property in the city as opposed to  
4 in other places really has to be weighed in, not  
5 only in our storage rate, but overall cost of  
6 doing business and where we're headquartered from  
7 and what our employees have to pay for their  
8 housing. Something I didn't put in here and I  
9 really should have is what labor increases have  
10 happened since 2001. In my business I can tell  
11 you in the past few years I haven't been able to  
12 give any raises. My employees know; they fill out  
13 the receipts. The amount on the door hasn't  
14 changed. They're fueling up the truck, not me.  
15 They're going wow, it used to be \$50 and now it's  
16 \$75, or it used to be \$75 and now it's \$110 to  
17 fill up a vehicle. People who move on; maybe the  
18 more talented tow operators may go to different  
19 industries, may deliver milk or do over the road  
20 driving. What I am proposing and what I think is  
21 happening is the caliber of the operators and the  
22 drivers has to go down. As hard as I want to keep  
23 my best driver, if he has a better opportunity  
24 working a backhoe or a machine somewhere, who am I  
25 to stop him? My rates haven't gone up. My

1  
2 expenses have gone through the roof. I obviously  
3 can't give him a raise. I wish him the best. I  
4 want him to provide the best for his family. So  
5 that's something that I see as an owner. I see my  
6 guys coming to work, doing a good and yet I can't  
7 compensate them any more. I see my better  
8 operators moving on to different industries. Or  
9 when someone loses the lease on their apartment  
10 and I heard this great commercial and they're  
11 going to move to Pennsylvania where it's cheaper.  
12 Now you lose your lease on your apartment, it's a  
13 life change. What am I going to do, especially if  
14 you're operating as a two driver in the City of  
15 New York? You're obviously not going to get a  
16 raise so you look at other options to provide for  
17 your family. This is something I've seen and I  
18 think it's lowering the quality of service. It's  
19 something that's hard to gauge. Even as an  
20 operator, if I were to look back at how things  
21 were running five years ago as opposed to today,  
22 I'm sure that it's compromised. I may not see it  
23 because I'm living it every day. But clearly Page  
24 14 shows that the bigger metropolises and areas  
25 that have higher expenses as we do here in the

1  
2 city are getting a regulated rate that is fair and  
3 allows them to compensate their employees and  
4 absorb these increases in a way that they could  
5 stay in business and remain profitable. Again,  
6 we're looking to get the rate at \$185. A lot of  
7 these rates have been on the books for some time,  
8 so I'm sure that perhaps even by the time this is  
9 worked out and there's another rate adjustment for  
10 the New York City towers, a lot of these regulated  
11 tow fees are going to be going up around the  
12 country because they've been where they are now  
13 for quite some time and they're experiencing the  
14 same types of costs and increases that I am. In  
15 response to the items listed, mentioned previously  
16 in our rising costs, the Empire State Towing and  
17 Recovery Association asks the New York City  
18 Council to pass Intro 708-A that would adjust the  
19 regulated tow fees to be compensatory as is  
20 required by federal law. We come before you today  
21 representing over 500 businesses and thousands of  
22 employees thanking you for the time to consider  
23 our request and allow us to present it. We  
24 believe the information presented in this proposal  
25 would justify the adjustment we have petitioned

1  
2 for and would be fair and reasonable for our  
3 industry as it is entitled to. In closing, we say  
4 thank you and as always are available to work with  
5 you on this or answer any questions at this time.

6 CHAIRPERSON COMRIE: My first  
7 question is for both of you. I think, Mr.  
8 O'Connell, you said that you agree that the law  
9 was drafted in a flawed manner and that you agree  
10 with the need to maintain the carefully stated  
11 guidelines to ensure that whatever the situation  
12 that a person gets towed they would know what  
13 their rates are up front, correct?

14 PETER B. O'CONNELL: Yes. That  
15 comment was directed specifically to the private  
16 property towing. I don't believe that Mr. Eiler  
17 presented the same type of an argument with the  
18 DARP and ROTOW rates. Those rates have to be  
19 disclosed. I don't think there's a question of  
20 nondisclosure there. There are valid criticisms  
21 to the bill as it's presently drafted with respect  
22 to private property towing.

23 CHAIRPERSON COMRIE: DARP and ROTOW  
24 primarily covers all accident issue, is that what  
25 you're saying?

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2 PETER B. O'CONNELL: DARP covers  
3 accidents. ROTOW is abandoned, recovered stolen  
4 vehicles, and evidence vehicles.

5 CHAIRPERSON COMRIE: But your  
6 bottom line is you don't have a problem with the  
7 regulations being clear and precise. You agree  
8 with the need to ensure that when a constituent  
9 has a situation of towing or whatever that  
10 situation is, whether it's DARP, ROTOW, and  
11 private property, that there are clear regulations  
12 across the board and clear standards for whatever  
13 the tow fees are so that there are no unknown fees  
14 that would be assessed to a person afterwards. Is  
15 that correct?

16 PETER B. O'CONNELL: I agree  
17 wholeheartedly with that comment. The rates that  
18 we proposed here simply increase the rates that  
19 are on the books now. If there's wiggle room to  
20 add these additional charges they exist today this  
21 bill does nothing to enhance that in any way.

22 CHAIRPERSON COMRIE: At least we  
23 can agree on the consumer protection piece so that  
24 the consumer would know exactly whatever those  
25 rates that are charged that they would be standard

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across the board in every category.

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PETER B. O'CONNELL: Transparency is very important.

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CHAIRPERSON COMRIE: Council Member Barron, because he has to go.

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COUNCIL MEMBER BARRON: First of all, I think it was a very good presentation and it adds more information. But when we have to pass a budget and we see deficits and we have very few choices. We know that to pass a budget with everything going up, you're either going to borrow some money, you're going to have to cut services or raise revenue in some kind of way. The battles that we have in the City Council is when people overly put the burden on raising revenue which may be taxation or overly put the burden on cutting services and we have those kinds of battles. So I too want to work with everybody in this. My number one concern still is the consumer. But certainly I would not sit here and say that what you presented wasn't compelling and raises concerns about people in your industry. They've got to eat. They've got to pay rent. Just like any other consumer that I want to protect. But I

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2 just think we need to look at other means, whether  
3 there is some stimulus money or bailout money.  
4 They're bailing out folks all over the place.  
5 Maybe the government should do a little more in  
6 this city and the Small Business Administration or  
7 something in government or federal or state where  
8 not so much of the weight is put on the consumer  
9 and puts you at odds with those of us who really  
10 want to protect consumers but also want to see  
11 that the people working for you have a decent  
12 living wage. I just want to let you know my  
13 strong passionate advocacy for the consumer  
14 doesn't have me ignoring or insensitive to what  
15 you've presented. I look forward to working to  
16 some happy medium where we can come to some  
17 agreement where nobody is harmed or minimal harm  
18 or equitable pain. However we want to phrase it.  
19 Thank you.

20 PETER B. O'CONNELL: There's an  
21 employer in the Albany area that's put a sign on  
22 his building saying, "stimulus money accepted  
23 here". I'm sure that Mr. Robles would be glad to  
24 put the same sign on his building as well. Thank  
25 you, Mr. Barron.



1  
2                   CHAIRPERSON COMRIE: We're going to  
3 hear from AAA next. They're going to come with  
4 the other side if you have a minute. Just one  
5 last question, what is the rotation need for new  
6 vehicles? What's your average vehicle life for  
7 your light duty and heavy duty vehicles?

8                   PETER B. O'CONNELL: Usually on a  
9 light duty vehicle it's about five years. That's  
10 usually about the time that I finance. You know  
11 what the shape of a car driving in the city for  
12 five years is. I would say that our commercial  
13 vehicles do a lot more mileage. So in five years  
14 we'll have 300,000 miles on a piece of equipment.  
15 It doesn't leave much value at the end.

16                   CHAIRPERSON COMRIE: You're  
17 purchasing or leasing your vehicles?

18                   PETER B. O'CONNELL: Purchasing.  
19 There's really no leasing. There's other  
20 industries that could go to leasing companies that  
21 will lease you a box truck or a utility body truck  
22 or something like that, but because our trucks are  
23 specific to one industry and they have to be  
24 licensed and lettered and they have so many  
25 different regulatory things apply to them, I don't

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2 know of any company that leases tow trucks in the  
3 matter that you would lease a car.

4

CHAIRPERSON COMRIE: I want to  
5 thank you for coming down this morning and  
6 presenting your testimony. There was just one  
7 other question. The numbers that you listed for  
8 towing rates in different municipalities are  
9 different from the numbers we got from AAA. But  
10 I'll try and figure out how to balance that in a  
11 little while. But I just wanted to point out that  
12 your numbers are different than the rates numbers  
13 that we received from AAA. Is it posted somewhere  
14 that we can double check what those numbers are?

15

PETER B. O'CONNELL: In most cases,  
16 yes, the police tow rates a matter of public  
17 record, so most of them are verifiable. I'll  
18 compare notes with Mr. Africano to see where he  
19 came up with his.

20

CHAIRPERSON COMRIE: We're going to  
21 finish with the industry and then we'll end up  
22 with AAA and hear what they have to say. So next  
23 we'll have Ralph Gonzalez from Big City Auto Body  
24 and Towing and Norman Teitler from Metropolitan  
25 New York Towing, Auto Body and Salvage

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Association.

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NORMAN TEITLER: Good morning. My

name is Norman Teitler. I'm the Executive

Director of the Metropolitan New York Towing, Auto

Body and Salvage Association. I'm going to

address Intro 708-A which is the increasing of

rates that towing companies can charge for their

services. Metropolitan last week forwarded to

each committee member a 28-page document entitled,

"Justification for Rate Increase for Arterial

Highway, DARP, Illegally Parked and ROTOW Programs

Mileage and Storage Rates". This was the

document. I assume all the committee members got

it. If they didn't, we'd be more than happy to

provide another copy.

CHAIRPERSON COMRIE: Can you say

that again, Norman? What document?

NORMAN TEITLER: We had sent a

document called "Justification for Rate Increase

for Arterial Highway, DARP, Illegally Parked and

ROTOW Programs". It went to each of the committee

members. I will make sure that additional copies

are made for counsel, because Councilwoman Reyna

wasn't on the committee and inadvertently we

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2 didn't send you a copy. I will make sure one goes  
3 to your office today.

4

CHAIRPERSON COMRIE: My staff  
5 didn't get it.

6

NORMAN TEITLER: I'll make sure  
7 there are extra copies. This document extensively  
8 with charts and photographs lays the groundwork  
9 and the explanation and background justifying the  
10 rate increase contained in this Intro. What is  
11 the private towing industry of New York? We are  
12 citizens of the City of New York. We are  
13 taxpayers of the City of New York. We are voters  
14 in New York City. We are employers and business  
15 owners and emergency first responders without whom  
16 this city would not function. The time has come  
17 after many, many years, after tremendous increases  
18 in all of the operating costs of towing companies  
19 in this city, for the rate increases called for in  
20 this bill to become law. I heard the  
21 representative from Consumer Affairs talk about  
22 price gouging. Every city marshal who tows under  
23 the SCOFFTOW program charges \$185 a tow. If the  
24 Office of the Sheriff of the City of New York tows  
25 your vehicle, they charge \$185 a tow. If you're

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2 towed by New York City Department of  
3 Transportation, they charge \$185 a tow. If you're  
4 towed by the New York City Police Department they  
5 charge \$185 a tow. Those rates are not set by  
6 law, they're set by the individual agency and by  
7 law that agency is not allowed to make a profit on  
8 the tows. So theoretically if the agency is  
9 following the law, that's their cost of towing.  
10 Since all those agencies don't pay for insurance  
11 because the City of New York is self-insured  
12 that's an additional expense that they don't have  
13 to consider. Additionally, all of those tows are  
14 simply a tow truck backing up to a car, lowering a  
15 boom and in two minutes hooking up the car and  
16 leaving. At an accident scene, tow trucks for  
17 sometimes an hour trying to separate cars or  
18 waiting for the police department to finish the  
19 accident report so to get the people in the  
20 ambulance. We understand all that has to be done.  
21 But who pays the towing company for the time their  
22 truck is not earning money someplace or for the  
23 time their driver has to be paid? So in most of  
24 these cases, the \$185 that all these other  
25 agencies get is not even comparable to the

1 requirements that are fostered by the programs of  
2 the police department, whether that's ROTOW, DARP  
3 or arterial towing on the towing industry. We  
4 didn't talk about arterial towing. That's the  
5 highways of the City of New York. They have to  
6 have trucks patrolling whether there's an accident  
7 or not 24 hours a day. They have to have  
8 dispatchers on 24 hours a day. They have to have  
9 staff ready at a moment's notice if a tractor  
10 trailer at 4 o'clock in the morning turns over on  
11 the Cross Bronx Expressway to come and clean that  
12 mess up so the highway isn't shut down during rush  
13 hour. Somebody has to pay for that service.

14 Metropolitan and all of our members are fully in  
15 favor of a quick and early passage of this piece  
16 of legislation. However, certain changes in the  
17 bill are necessary to comply will all aspects of  
18 the Administrative Code. The specific changes  
19 were forwarded to Chairman Comrie's office last  
20 weekend. I'm going to go through them. We cannot  
21 eliminate the requirement for a contract to exist  
22 between a towing company and the property owner  
23 that allows for the towing of illegally parked  
24 vehicles. I assume that was inadvertently left  
25

1  
2 out, but it must be corrected. Since we're  
3 increasing all the rates across the board, the  
4 same rate increase must also apply to Section 19-  
5 169, which is the removal of vehicles from blocked  
6 driveways. Inadvertently that I believe was left  
7 out of the bill. The distinction that exists in  
8 the law must continue to exist between the hookup  
9 of vehicles registered at less than 10,000 and  
10 those vehicles registered at more than 10,000  
11 pounds. Storage charges should be set and using  
12 the word per calendar day as opposed to 24 hours.  
13 Because 24 hours leads it that I come a minute  
14 before the same way we argue with parking meter  
15 attendants in the City of New York because we're  
16 ready to put the quarter in the meter and it's one  
17 minute late and they're writing the ticket. Let's  
18 not argue over a minute or two. It's per calendar  
19 day. Everybody knows today is Tuesday. I owe you  
20 storage for Tuesday. Tomorrow is Wednesday and  
21 that's another day. In the package I sent, and  
22 I'll make sure all the committee people and  
23 counsel see another set, we must insert in the law  
24 a labor charge that can be authorized by either a  
25 police official or DOT official on the scene of

1  
2 the accident if they sign it on the tow slip that  
3 it was necessary for additional staff or equipment  
4 to perform work at the scene. The towing company  
5 can't charge it on their own; it has to be  
6 authorized by a New York City police officer with  
7 his shield number or a DOT official with their  
8 name and badge number. Additionally, now is the  
9 correct time to increase the commercial towing  
10 rates which likewise have not been raised in  
11 almost ten years so the Council doesn't have to  
12 revisit this issue again at the end of the year or  
13 beginning next year. Between this hearing and the  
14 second reading of the bill hopefully I will be  
15 available to work with the Chairman and the  
16 Counsel for this committee to insert the needed  
17 changes so that the issue of rates can be resolved  
18 during the year 2009. I sent a letter to all  
19 members of the committee and we discussed this  
20 issue once before and while it begs off to the  
21 side it must be addressed. I ask each of you  
22 directly now as I did in a recent letter sent that  
23 someone introduce a bill allowing the 58,000  
24 business licensees of the Department of Consumer  
25 Affairs, not just towing, every single business,



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2 that's over 50,000 businesses the right to either  
3 sell their business, take in a new partner or sell  
4 a portion of the shares in their business to a new  
5 investor so they can expand and hire new employees  
6 without having to forfeit their current license  
7 and start anew. This bill must be introduced now  
8 so it can be passed this year. In conclusion, I  
9 want to personally thank each of you for your  
10 support of our industry and for voting for passage  
11 of this legislation that is so urgently needed by  
12 the private towing industry of New York City. I  
13 stand ready to answer any questions anyone may  
14 have.

15 CHAIRPERSON COMRIE: What kind of  
16 additional charges are you talking about?

17 NORMAN TEITLER: Let's take a  
18 highway for example; a car has an accident and  
19 winds up suspended on a guardrail with all four  
20 tires off the ground. There is no conceivable way  
21 for one small tow truck to come and remove that  
22 car just by hooking it up and taking it. He needs  
23 additional equipment and additional staff. If the  
24 police department is there and authorizes it, he  
25 should be able to charge for that. Today under

1  
2 the law he can't charge for that. That's the  
3 situation, where there's four cars collided  
4 together and there's different angles and you need  
5 additional staff. Remember the police department,  
6 if you're illegally parked, backs up and hooks  
7 your car. We've all seen them do that.

8 Unfortunately some of us who owe tickets and  
9 forgot to pay have seen a tow truck back up and  
10 take our legally parked car away. When you're on  
11 the East River Drive or Long Island Expressway and  
12 cars are zipping by at 60 miles an hour at  
13 nighttime. You can't just go and back up into  
14 accident scenes. So there's additional staffing  
15 required sometimes to protect the lives not only  
16 of the tow truck driver but the people who are in  
17 that car who didn't go to the hospital who are  
18 standing on the side of the road waiting for their  
19 car to be hooked up so they can go back and be  
20 taken someplace. One of the things that's not  
21 brought to the attention is more than every single  
22 week in the United States of America a tow driver  
23 is killed in the line of duty on the side of the  
24 road hooking up a car. Tow drivers don't have  
25 like police officers or firefighters heart bills

1  
2 or other bills that take care of their families.  
3 Like you said, we want transparency. We want a  
4 consumer to know that the tow company can't simply  
5 charge something that wasn't called for. But if a  
6 police officer authorizes it because it was  
7 necessary, we want the right to charge under the  
8 law. That's what I meant by the number six.

9 CHAIRPERSON COMRIE: Mr. Gonzalez,  
10 did you have a statement because we're running out  
11 of time and I've got to give AAA some time.

12 RALPH GONZALEZ: Yes, I would like  
13 a few moments of the committee's time. Good  
14 morning, Chairman Comrie, Council Member Reyna and  
15 all the distinguished members of the Council. I'd  
16 like to point a couple of things. First of all,  
17 my name is Ralph Gonzalez. I have owned and  
18 operated with my wife Big City Auto Body and  
19 Towing Service for 30 years at the same location.  
20 We participate in the DARP program, which stands  
21 for Directed Accident Response Program and we used  
22 to participate in ROTOW but it became a losing  
23 proposition so we resigned from the program  
24 approximately two years ago. As Mr. Teitler said,  
25 I want the committee to be aware that to

1  
2 participate in the DARP program you must be on  
3 call to the New York City Police Department on a  
4 24-hour basis, seven days a week, 365 days of the  
5 year. You need to have trucks and you need to  
6 have tow trucks and flatbeds available. The  
7 towing at an accident scene is very different from  
8 the towing that the sheriff or the City of New  
9 York does where they back into a car. They don't  
10 even have to get out most of the time from the tow  
11 truck. There's equipment that allows you to hook  
12 up the car from inside the truck when it's just a  
13 vehicle that hasn't been involved in an accident  
14 and you can literally tow it away in 60 seconds or  
15 less. When you go to an accident scene, more  
16 often than not, you have one, two or three  
17 vehicles that are mangled together. They're stuck  
18 together. We need to winch one vehicle off  
19 another vehicles. Sometimes vehicles go through a  
20 storefront or they've gone on top of a pole or a  
21 hydrant. Sometimes the vehicle is even  
22 overturned, it's on its roof and we're expected to  
23 turn the vehicle over. Under the old system which  
24 existed prior to 2001, I want to point out to the  
25 committee that when the tow rate was \$65 a hook up

1  
2 that we were allowed to charge \$4 per mile from  
3 the scene of the accident back to our shop. We  
4 were also allowed to charge \$12 per tow truck per  
5 15 minutes that the truck was there. Sometimes,  
6 like Mr. Teitler mentioned, you do need to have a  
7 second truck either for safety reasons to block  
8 traffic or to help in winching the vehicle. Also,  
9 I'd like to address the fact that the police are  
10 the scene. I can tell you that I've been  
11 participating just on the DARP program since its  
12 inception in 1989. The police officers work very  
13 hard but a lot of times because of shortages or  
14 crime in the neighborhood, they do not stay at the  
15 accident scene for the entire hookup. Sometimes I  
16 can assure you that the police officers have left  
17 the scene as soon as the tow truck responds.  
18 We're there to deal with the motorists and the  
19 traffic and the whole situation by ourselves. I  
20 personally have had to call the police department  
21 up on numerous occasions and request that the  
22 police officers return to the scene to help  
23 control traffic control and for the safety of  
24 myself and my drivers with the emergency lights.  
25 Getting back to the rate; when we were allowed to

1  
2 charge for hookup and the mileage, we also were  
3 allowed to charge storage from the first day we  
4 got the car. When these rates were increased to  
5 this so-called \$80 back in 2001, I maintain to you  
6 that we actually took a decrease. We took a  
7 decrease not an increase. A \$65 a hookup, \$4 a  
8 mile, \$12 per truck per 15 minutes, even if you  
9 only had one truck on the scene and allowing us to  
10 charge what was back then \$10 a day storage, even  
11 on a very short tow of a couple of miles back to  
12 the shop and just two days storage we would still  
13 wind up with more than \$80 for the tow. As far as  
14 the remarks by the gentleman that I believe was  
15 the attorney for the Department of Consumer  
16 Affairs, where he says we're towing for repairs.  
17 That is a myth. We hope that we're towing for  
18 repairs but I can assure you that many times cars  
19 are abandoned at our facility from cars that we  
20 tow from accident scenes. I can substantiate this  
21 to you by numerous mechanic liens that we have to  
22 put on vehicles, which is the only legal way that  
23 we are allowed to dispose of a vehicle once we're  
24 stuck with a vehicle that's abandoned. The lien  
25 costs us \$200. We're held hostage for the space

1  
2 for 30 days if it's a New York car, because it  
3 takes 30 days for a vehicle registered in New York  
4 to be advertised twice in the paper according to  
5 the lien law and for the process to go through.  
6 In those 30 days our spot is not being paid for.  
7 It's bad enough that we're not getting compensated  
8 for the original few days of storage; because you  
9 don't bring a car in on a Monday and put a lien on  
10 it on a Tuesday. You wait, you make a couple of  
11 attempts, you send a couple of letters to the  
12 owner and you try to resolve and bring it to a  
13 friendly resolution. That in itself can take two  
14 or three weeks. Now we put a lien on the car and  
15 we have to wait 30 days for the process to go  
16 through. When we go to dispose of the car we're  
17 lucky if we get \$50 from the junkyard for the car.  
18 All of these things need to be taken into account.  
19 Also, a lot of the vehicles are total loss  
20 vehicles. The insurance companies are total  
21 lossing even late model cars at a very fast rate  
22 because they're getting a lot of money from  
23 foreign interest for the salvage of the vehicle  
24 where vehicles are being bought by people from out  
25 of the country and being rebuilt in countries

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2 where they pay people \$1 an hour. In a lot of  
3 vehicles it's more advantageous for the insurance  
4 companies to total loss them. Also, we tow a lot  
5 of taxis and what they call private service cars  
6 that have their own repair shops. This is a myth  
7 that we're towing for repairs and it should be  
8 like, he almost insinuated a loss leader. Maybe  
9 we should just give the towing away for nothing.  
10 I want to clarify that to the committee because we  
11 do get stuck with a lot of vehicles. The return  
12 of repairs versus the vehicles we tow sometimes  
13 can be as low as 10% of the vehicles we actually  
14 tow and I can bring records to document that. I  
15 touched base on the situation about the police to  
16 safeguard the scene. A lot of times the police  
17 department is inside their car dealing with the  
18 report. They're not directing the traffic.  
19 Sometimes they even leave or they could get an  
20 emergency call. There could be a robbery in the  
21 neighborhood; there could be a police officer in  
22 need of assistance. They're not going to stay  
23 there with a tow truck driver while a police  
24 officer 1013, in need of assistance call. We're  
25 left to fend for ourselves in places where there



1  
2 is high traffic and we really need to call a  
3 second truck to back us up. I want to point  
4 something out that hasn't been mentioned. On the  
5 rotation tow program, which was instituted by the  
6 insurance companies coming to this industry  
7 approximately 20 years ago to help in the recovery  
8 and safekeeping of stolen cars, which protects  
9 their interests because the longer a stolen car  
10 lays on the street, the more parts that are  
11 stripped off the car and then they have to total  
12 loss the car. The rate now stands at \$70 for the  
13 consumer if the consumer picks up the vehicle at  
14 the facility and \$10 each day for the first three  
15 days of storage and \$15 from the fourth day on.  
16 But nobody has informed you clearly that a lot of  
17 cars do not get picked up and we have to transfer  
18 them to the New York City Police Department pound  
19 in College Point. There is currently only one  
20 pound that accepts this intake of vehicles for the  
21 whole City of New York. That means if you have a  
22 facility in Brooklyn or in Staten Island or in the  
23 Bronx, you have to bring this car from there over  
24 the bridges to Queens to deposit it in the pound.  
25 Now, in the two increases that this industry

1  
2 received on that rate, the city never increased  
3 their rate to pay us. They took the position that  
4 when they pay us for these unclaimed vehicles to  
5 this day they're paying a ridiculous \$35 for the  
6 initial tow, \$5 a day storage for the first three  
7 days and \$7 from the fourth day through the tenth  
8 day. If you keep the car beyond the tenth day,  
9 which we can legally keep the car for 30 days,  
10 this city doesn't pay from the 11th day to the  
11 30th day. To transfer the vehicle which is a  
12 second tow in itself; it has to go from our  
13 facility over to the College Point facility in  
14 Queens, they pay \$25 for that. It actually costs  
15 me more money to do that tow with a driver and  
16 fuel than what I'm getting back. That's an  
17 inequality that has to be addressed when you  
18 address this bill. I urge you to make it  
19 comparable with the \$185 towing, which I implore  
20 you to do so to keep up with our costs and allow  
21 us a reasonable profit. That fee has to go up. I  
22 want to be perfectly clear on this. The city is  
23 reselling these cars. So imagine a business where  
24 you get your stock for free or for very little  
25 money and then you're reselling it at a profit

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2 because you have numerous people that come and buy  
3 cars at the police auctions. You have auto repair  
4 shops, you have gas stations, you have the public,  
5 you have car dealerships and you have scrap metal  
6 people that buy the cars that are all mangled and  
7 take parts from it and if nothing else the scrap  
8 iron. So there's no reason why the city has to  
9 make us lose money on the unclaimed cars. Also, I  
10 want to point out that when this program was first  
11 created it was primarily created for stolen  
12 vehicles that are recovered by the police  
13 department and abandoned cars as far as if you  
14 have an accident and you abandon the car. Now  
15 they're abusing the system and putting derelict  
16 vehicles that should never be on there. Vehicles  
17 that are old that people have taken the plates off  
18 of them, taken their registration and inspection  
19 stickers and more often than not filled them up  
20 with garbage and left them on the street. There  
21 is a provision in the City Charter that the city  
22 has contracts with a couple of scrap junkyards  
23 under the Derelict Vehicle Program administered by  
24 the New York City Department of Sanitation. A lot  
25 of these cars that are abandoned are erroneously

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2 being put on this program which means that the  
3 rate of vehicles that are unclaimed at our yard  
4 from the ROTOW has substantially risen. I know  
5 that your time is limited; in conclusion I urge  
6 you and implore you as a citizen, as a taxpayer to  
7 please vote this \$185. It sounds like it's a  
8 substantial increase because we've been denied the  
9 right amount of money for way too long. We should  
10 have never been towing for \$80 from accident  
11 scenes or \$70 for the rotation cars. It was wrong  
12 then and it continues to be wrong now and we need  
13 to correct the situation. I thank you very much  
14 for listening to me and the time that you have  
15 afforded me.

16 CHAIRPERSON COMRIE: Thank you. I  
17 wish we had more time. I really need to hear from  
18 AAA. I look forward to sitting down with you.  
19 Can we get a copy of that statement that you read  
20 from? We don't have that.

21 RALPH GONZALEZ: I'll be honest  
22 with you, Chairman Comrie, I did it all from my  
23 head. I only took a couple of notes on the rates,  
24 but I'll give you the notes that I took, but the  
25 speech was from my head.

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2                   CHAIRPERSON COMRIE: You did bring  
3 up some things that other people didn't address so  
4 if you could just mention it. My counsel tells me  
5 that you get \$60 for reimbursement for cars towed  
6 to the pound according to our research. You're  
7 saying you get how much?

8                   RALPH GONZALEZ: My understanding,  
9 unless I'm wrong, and I resigned from the program  
10 two years ago, was that we get \$35 when we bring  
11 the vehicles to the pound for the initial tow,  
12 which is half of what the consumer would pay if he  
13 claimed it and \$5 a day for the first three days  
14 of storage versus \$10 for the first three days and  
15 \$7 from the fourth day on versus \$15 from the  
16 fourth day on and \$25 to tow this vehicle from our  
17 storage yard. I forgot to tell you that from our  
18 storage yard to the pound, we have to make a stop  
19 at the local precinct to pick up the voucher, the  
20 rest of the paperwork that has to be brought with  
21 the car. They can make us wait at the precinct  
22 anywhere from 10 to 30 minutes. And then after we  
23 pick up the voucher, that's when we go to the  
24 pound with the car. Also, I forgot to tell you  
25 that on the rotation tow cars when we first get

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2 the car we have to do a basic report of how many  
3 tires are on the car and if the car has a radio.  
4 We sometimes need to go to the precinct several  
5 times because the paperwork isn't ready at the  
6 precinct the way it should be. We need to pick up  
7 this voucher paperwork because when the insurance  
8 company or the consumer comes to our yards, they  
9 must sign off on a yellow paper that's one of the  
10 three pieces of paper we pick up and then after  
11 having picked up the paperwork the first time,  
12 after the consumer or the insurance company signs  
13 off on it, we need to make a second trip to the  
14 precinct to give them back the paperwork. I want  
15 you to be aware of that also.

16 CHAIRPERSON COMRIE: Thank you.

17 NORMAN TEITLER: Chairman, just as  
18 an aside. The police department currently has a  
19 bid out. They are closing all the police pounds  
20 in the City of New York and privatizing it. The  
21 pounds where it's privatized can be under the bid  
22 up to 45 miles from any border of New York City.  
23 So we don't know where we're going to have to  
24 bring these cars in the future. The College Point  
25 Pound on July 16th the mayor is scheduled to break

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ground for the new police academy and they're closing the pound in College Point. That's another issue.

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CHAIRPERSON COMRIE: They're moving it to Springfield Garden.

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NORMAN TEITLER: That's another issue that we have to consider. Thank you.

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CHAIRPERSON COMRIE: Thank you. I will get back to you on the issue of being able to update your businesses and adjust that without losing the ability to have a history and a company issue. That's something we need to address. I'm sorry; we're up against a one o'clock deadline. I should have given AAA more time. I'm just running out of time. We'll hear from Mr. John Corlett and John Africano from AAA of New York. We'll hold the room for as long as possible so that you can make your presentation.

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JOHN A. CORLETT: Good afternoon, Mr. Chairman and Council Member Reyna. My name is John Corlett. I'm the director of government affairs for AAA New York. Beside me is John Africano. He's our director of automotive services. AAA New York has 1.5 million members in

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1  
2 New York and several adjacent counties. I have a  
3 very brief statement. I know it's been a long  
4 morning and afternoon. Our organization opposes  
5 the proposed increases in non-consensual towing  
6 rates as proposed by Intro 708-A because we  
7 believe that the increases are both unfair and  
8 unjustified being far in excess of both regulated  
9 rates in neighboring jurisdictions and the  
10 prevailing on street towing rates in the City of  
11 New York and also out of proportion to any cost  
12 increases providers may have experienced. Simply  
13 put, AAA New York does not believe that a rate  
14 increase of 165% to \$185 for the first mile charge  
15 is justified. Our view is supported by a recent  
16 survey conducted by our automotive services  
17 department which indicates that the \$185 first  
18 mile rate is far higher than the rate charged by  
19 surrounding municipalities. For example, in  
20 Hempstead and North Hempstead, the charges for a  
21 first mile tow are \$75. The town of Oyster Bay  
22 has a slightly higher first mile rate of \$95. On  
23 the New York State Thruway contractors charge a  
24 hookup of \$60 plus \$4.50 for each additional mile.  
25 On New York City arterial highways where lesser



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2 distances are traveled by so-called franchise  
3 stations and where substantial volumes of traffic  
4 generate higher volumes of service calls, a market  
5 rationale would dictate fees far lower than  
6 proposed by Intro 708-A. Further, as it seems  
7 likely to us that the fees charged by the city to  
8 franchise tow operators will increase, there is a  
9 danger that increased revenue for the city may  
10 become a higher priority than the protection of  
11 consumers unlucky enough to break down on a city  
12 arterial or franchised roadway. We question  
13 whether the city should be profiting from a  
14 monopoly designed to safeguard drivers in  
15 distress. Moreover, the timing of these increases  
16 could not have come at a worse time for consumers.  
17 Current economic conditions have forced many  
18 consumers to retain their vehicles for longer  
19 periods of time, causing some to forego vehicle  
20 maintenance and resulting in additional  
21 breakdowns, tows and repairs. The rates proposed  
22 in Intro 708-A will now expose those unfortunate  
23 enough to break down to extraordinary fees for the  
24 recovery of their disabled vehicles. It is also  
25 important to note that the prevailing non-

1 regulated consensual towing rates on city streets  
2 is much lower and from what I understand is in the  
3 range of \$75 to \$90. We appreciate that adequate  
4 rates are essential to the livelihood of the  
5 towing industry; however it is important to note  
6 that when the tow law was first enacted, the  
7 Council determined that the purpose of regulating  
8 non-consensual rates was to shield consumers from  
9 exorbitant rates, not participate in them. In  
10 short, we believe that a 165% increase to \$185 for  
11 the first mile is excessive and contrary to the  
12 city's consumer protection mission. Further,  
13 there has been no explanation of the basis for the  
14 165% increase or any attempt to justify the need  
15 for an increase of this magnitude, at least not  
16 that we've seen yet. Accordingly we must strongly  
17 oppose the enactment of Intro 708-A. Thank you  
18 for the opportunity to comment.

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20 CHAIRPERSON COMRIE: Do you have a  
21 statement, Mr. Africano?

22 JOHN A. CORLETT: I handed it to  
23 the clerk.

24 CHAIRPERSON COMRIE: No, I mean the  
25 other John. Did you have a statement as well?

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2 JOHN AFRICANO: Good afternoon. I  
3 just wanted to highlight a couple of areas. We  
4 talk about all of these programs, the benefit to  
5 the providers, the business opportunities  
6 presented to them and I think one thing that  
7 overlook a little is the exclusivity involved in  
8 such programs. There is no opportunity for other  
9 service providers to get involved in the work that  
10 we're talking about here. It's exclusive to those  
11 that are contracted or those that are participants  
12 in such programs. I think somebody said there  
13 were 500 or so two businesses licensed in New York  
14 City. There are far fewer involved in the  
15 programs we're talking. I believe there are less  
16 than ten involved in the arterials and honestly  
17 I'm not sure exactly what's involved in DARP but I  
18 know it's not the majority of 500. The value of  
19 the programs does exceed the towing rates. We can  
20 talk best case scenarios and worst case scenarios  
21 as far as towing opportunities, cars on  
22 guardrails, accidents and so on and so forth, but  
23 by and large most of the businesses I believe that  
24 get involved in these programs are involved on  
25 multiple levels, not just for the opportunity to

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2 tow a disabled vehicle or an accident vehicle.  
3 The opportunities are also there to generate  
4 business back at their repair facility, collision  
5 shops and so on. I believe every facility that  
6 provides such services has a repair facility  
7 attached to it. I'm not going to argue that many  
8 opportunities are lost. Not everybody gets every  
9 work that comes in. Not every car comes back for  
10 repair. But in those situations where there's no  
11 opportunity for the consumer to choose the  
12 provider, the responding facility does get first  
13 shot and in many cases gets a great opportunity to  
14 generate subsidiary revenue out of that job. So  
15 when we're talking about tow rates and how much it  
16 costs to provide services for a single tow and  
17 what the actual operating expenses are, I think  
18 what we need to do and what has happened in the  
19 past is the Council has taken into account that  
20 you fact that you blend in these other areas of  
21 revenue associated with these programs. That  
22 helps I should say justify the rates that we've  
23 had in place for this period of time and helps  
24 justify why we should not raise 165% at this point  
25 going forward.

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2                   CHAIRPERSON COMRIE: I'm a little  
3 confused by a couple of things and a couple of  
4 discrepancies that I hope we can get some clarity  
5 on. In your testimony you're saying that it seems  
6 that the fees charged by the city to franchise tow  
7 companies will increase. Based on that because of  
8 this hearing or what are you basing that on?

9                   JOHN A. CORLETT: In all honesty,  
10 before the hearing I was trying to figure out how  
11 the \$185 number came in here. I was under the  
12 suspicion and maybe I was wrong was that the city  
13 at some point would turn around and charge the  
14 permittees on the arterials for example a higher  
15 fee to participate. Of course that's just  
16 speculation.

17                   CHAIRPERSON COMRIE: They already  
18 do. They charge them a higher fee. So you based  
19 this on speculation that the hearing was  
20 automatic? I'm still a little confused. You've  
21 heard now where the \$185 came from based on the  
22 industry. They're seeking parity with the  
23 entities that are charging for towing. Clearly  
24 there's a discussion about whether there they  
25 should match someone that's being towed for a

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2 penalty as opposed to someone that's being towed  
3 for an emergency. That's a different category  
4 clearly and that's an issue for discussion.  
5 There's also an issue of whether the fees and  
6 penalties that the city imposes are fair and  
7 adequate. I think that's something that this  
8 committee will have to have a hearing on. Based  
9 on that, I'm just trying to understand. I think  
10 if you could interpret what you heard today from  
11 the industry and give us some feedback I think  
12 that would be important. As I said in the  
13 beginning, I'm an AAA member, and clearly I've  
14 benefited from AAA multiple times. The services  
15 of AAA, if you're an AAA member, you can call from  
16 an arterial highway and get service in New York  
17 City. Is that correct?

18 JOHN A. CORLETT: Not exactly. I  
19 might let John Africano answer that.

20 JOHN AFRICANO: I'm sorry, sir,  
21 could you repeat that?

22 CHAIRPERSON COMRIE: If you're  
23 stuck on the LIU or the Grand Central and you're  
24 an AAA member, if you call AAA what happens?

25 JOHN AFRICANO: If you call AAA

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2 what we'll do is dispatch to the local franchise  
3 authorized highway provider.

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CHAIRPERSON COMRIE: And then the  
AAA member still pays the franchised rate?

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JOHN AFRICANO: Yes. The AAA  
member pays direct to the provider at whatever the  
prevailing rate is at that time and then they  
submit their bill back to AAA and then AAA at that  
point would reimburse based on membership  
entitlement and other factors.

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CHAIRPERSON COMRIE: So you have to  
pay directly in New York for that situation?

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JOHN AFRICANO: Yes.

CHAIRPERSON COMRIE: My counsel  
believes that you were saying on the part that we  
were unclear on that you think that the license  
fees are going to increase to the franchise tow  
companies and not the rates. Do you think that  
the city will increase the tow company fees to  
permit to do business?

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JOHN A. CORLETT: I guess I  
wouldn't be surprised if that were the case at  
some point in the future.

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CHAIRPERSON COMRIE: So you do

1  
2 believe that there will be some adjustment in  
3 rates based on the fact that the city is looking  
4 to collect more income. You also think that there  
5 will be some need to increase rates for the DARP  
6 program and the other programs and the ability for  
7 the companies to maintain business. Do you  
8 believe that that's a necessity based on what  
9 you're heard today?

10 JOHN A. CORLETT: One of our  
11 principal concerns is the arterial system because  
12 in that situation when you break down you have no  
13 choice. Basically the city is giving a monopoly  
14 to certain providers. So our biggest concern is  
15 the arterial system. The rationale behind  
16 regulating consensual rates is to make sure that  
17 they're exceedingly fair. From what I understand  
18 on the city streets for example the rates are much  
19 lower than \$185. They're more like about \$75 to  
20 \$90. I appreciate that it's a 24/7 operation for  
21 the arterial providers, just as we have at AAA.  
22 But I guess if I had one message here I think it's  
23 the Council's responsibility to make sure that the  
24 \$185 is exceedingly fair and not burdensome to  
25 people who are unfortunate enough to break down on



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a city arterial highway.

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CHAIRPERSON COMRIE: I agree with you that the Committee has a burden to come up with something that's fair and equitable. I agree with you that also we need to make sure the consumer needs are protected. Clearly the situation we are in as a city and as a country, any discussion of raising fees on consumers is something that we have to weigh carefully and deliberately before we do that type of action, especially in this economy. Clearly, a year and a half ago or two years ago when the industry first came to us, the economy was in a different spirit and a different drive. Clearly, the tow truck industry and AAA are going through different market pressures as well and we need to be conscious of that. You can rest assured that I as Chairman will do everything I can to protect the needs of consumers and the ability of consumers in this market. But as Chairman, I also have to make sure that we still have a business economy in this market as well. It's a balance that we're going to have to weight carefully. I would hope that AAA would sit with us and come up with some

1 reasonable ideas on how we can make that happen.  
2  
3 As I'll repeat again, I'm an AAA member. I had a  
4 flat tire in Virginia coming back from Washington  
5 a couple of weeks ago for the inauguration and I  
6 was well served by AAA at that time. I want to  
7 make sure that consumers can understand that we  
8 will take care of them and make sure that they're  
9 well served within the City of New York as well.

10 JOHN A. CORLETT: Thank you. We  
11 would be more than happy to work with you on this  
12 proposal.

13 CHAIRPERSON COMRIE: Is there  
14 anything that you wanted to add that you hadn't  
15 added before to the testimony or any ideas or  
16 concerns that you wanted to bring out to us today?  
17 I want to make sure that you have enough time as I  
18 see the HPD coming in for the 1 o'clock meeting  
19 that's going to be in this room?

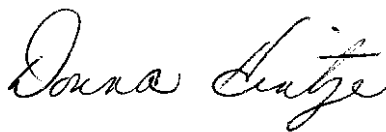
20 JOHN A. CORLETT: No. We  
21 appreciate the opportunity to come and give our  
22 comments to you.

23 CHAIRPERSON COMRIE: I look forward  
24 to talking with you and thank you for being here  
25 today. I thank the industry for coming and the

1  
2 administration for sharing their comments. Again,  
3 I want to thank my staff, Lacey and Damien, for  
4 everything that they did to put this committee  
5 hearing together. I want to thank Council Member  
6 Reyna for her diligence and for her consistent  
7 guidance and research on this topic as well. I  
8 look forward to talking with everyone. This is  
9 the first hearing on this issue. Clearly there  
10 are problems in the bill that we've all  
11 acknowledged that need to be cleared up. I want  
12 to thank the industry actually for acknowledging  
13 that there were flaws in the bill and that it  
14 would hurt consumers. I think that that's clear  
15 that we are all determined to make sure that  
16 wherever we go that on the final version of this  
17 bill that the needs of consumers and transparency  
18 so that if a consumer has an issue with any type  
19 of towing that they would know clearly and  
20 transparently what they're responsibilities would  
21 be. With that, I want to declare the hearing  
22 closed. Thank everyone for attending and we will  
23 be talking soon. Thank you.

C E R T I F I C A T E

I, Donna Hintze certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Signature \_\_\_\_\_

Date May 5, 2009 \_\_\_\_\_