

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON CONSUMER AFFAIRS

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May 11, 2010  
Start: 10:14am  
Recess: 10:45am

HELD AT: 250 Broadway Hearing Room  
14th Floor

B E F O R E:  
KAREN KOSLOWITZ  
Chairperson

COUNCIL MEMBERS:  
Charles Barron  
Leroy G. Comrie, Jr.  
G. Oliver Koppell  
Julissa Ferreras

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

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Ralph Gonzalez  
Big City Auto Body and Towing Service

CHAIRPERSON KOSLOWITZ: Good

morning, everybody. I'm sorry for the delay, but I had three Committee meetings, all at 10:00. So I had to go to the other two, and we can start now. And thank you for your patience.

Good morning. My name is Karen Koslowitz and I am the Chair of the Committee on Consumer Affairs. Today we'll be holding our first hearing on proposed introductory bill number 201-A, a local law to amend the administrative code on the City of New York in relation to rates for the towing of motor vehicles. I'd like to begin by thanking everyone for joining us today. I was going to say my colleagues, but the only colleague who is not on the committee but introduced this bill, is my colleague Diana Reyna.

The Department of Consumer Affairs has regulatory authority over the rates of nonconsensual towing, that is, towing performed without the expressed consent or authorization of the vehicle owner. The four different types of nonconsensual towing regulated by the City include: private property towing, in which a private property owner contracts with the tower to

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2 remove a vehicle obstructing his or her property;  
3 arterial towing, which removes disabled vehicles  
4 from arterial roadways such as highways; towing  
5 under the Directed Accident Response Program, a  
6 DCA program, which removes vehicles that have been  
7 involved in accidents; and the rotation tow  
8 program, another DCA program, which removes  
9 vehicles that have been suspected of being lost or  
10 stolen, which have certain alarm devices or which  
11 are considered evidence in a criminal case.

12           The towing industry last had a rate  
13 increase in 2001, when the Council passed Local  
14 Law 14, which increased rates for arterial tow  
15 operators. Three years later the Council passed  
16 Local Law 72, which increased the maximum rates  
17 tow trucks could charge, under the DARP and ROWTOW  
18 programs and set higher rates for vehicles  
19 weighing over 10,000 pounds.

20           Intro 201-A would raise towing  
21 rates for all types of nonconsensual towing  
22 throughout New York City. Specifically, it would  
23 permit tow operators to charge \$185 per tow for  
24 vehicles removed from private property, arterial  
25 tows, and tows pursuant to DARP and ROWTOW.

1  
2 Charges for storage of towed vehicles would  
3 increase to \$25 for the first three days and \$35  
4 for every day thereafter.

5 As costs of living and operating a  
6 business in New York City increase, it is  
7 important that we allow our entrepreneurs and  
8 small business owners to remain afloat while at  
9 the same time preserving the strong consumer  
10 protections that are already law. Although I'm  
11 sure there are differing opinions regarding the  
12 exact amount tow operators should be legally  
13 permitted to charge, I do feel this is an issue  
14 worthy of further discussion. With that said, I  
15 look forward to hearing today's testimony with an  
16 open mind, and hope that others will join me in  
17 that endeavor.

18 I'm going to turn the microphone  
19 over to the sponsor of this bill, Council Member  
20 Diana Reyna.

21 COUNCIL MEMBER REYNA: Thank you,  
22 Chair Koslowitz. I wanted to just take a moment  
23 to thank you for your leadership, as you have just  
24 referenced this particular tow rate, have not been  
25 addressed in the last decade, since you were last

1 here and had sponsored the last rate increase.  
2  
3 And I wanted to thank you on behalf of the towing  
4 industry and its employees, most of whom are  
5 heavily impacted throughout the last decade, with  
6 a booming economy that left them behind, and now  
7 an economic downturn that has clearly affected  
8 more the towing industry, where the peak time of  
9 our economy did not consider tow rate, at this  
10 time now they have had to make business decisions  
11 where rather than growing they would have to  
12 adjust to ensure that they would stay in business,  
13 by cutting staff down, creating part time  
14 positions as opposed to full time positions, not  
15 being able to give raises to retain the good  
16 workers that they have invested in, in the last  
17 decade.

18                   And the more turnover that a  
19 business endures, the less experienced staff they  
20 have and the less quality of service consumers  
21 receive. And so we want to be able to address all  
22 these issues by securing that in this new decade  
23 entering 2011 as a fiscal year, that we are able  
24 to reflect changes in their tow rate and be able  
25 to have an increase, so that we can see an

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increase in salaries for their employees.

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I wanted to thank the Association,  
my colleagues who have co-sponsored this bill.

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And I look forward to further discussion with the  
Department of Consumer Affairs, so that they can  
feel comfortable with knowing that this is an  
industry that can only assist us in making the  
necessary needs of the consumer met appropriately,  
and with proper enforcement, so that there is no  
gouging, no interest of violation of code, and  
making sure that this is a win-win for both the  
industry and the consumer.

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I thank you again, Chair Koslowitz,  
and the staff, especially Lacey Clarke, for  
assisting us in drafting this bill. This is an  
amendment version. I want to make note and let  
the record reflect that the amendment version  
refers to issues that were raised a year ago in  
April, in 2009. The Department of Consumer  
Affairs had raise deregulation language. We have  
excluded deregulation language to make certain  
that the towing industry continues to be regulated  
properly. Thank you once again.

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CHAIRPERSON KOSLOWITZ: Thank you.

1  
2 I'm going to turn this over to Council Member  
3 Leroy Comrie. I have to run downstairs for a  
4 vote.

5 CHAIRPERSON COMRIE: Good morning,  
6 everyone. With that, we'll hear from the  
7 Department of Consumer Affairs, Deputy  
8 Commissioner Fran Freedman. While she's getting  
9 settled in, this is the first hearing on this  
10 bill, and I expect that there will be a lot of  
11 opportunities for discussion and debate.

12 I also want to say that Diana, my  
13 co-sponsor of this bill, I think that anyone that  
14 hasn't had an opportunity to do a fare increase in  
15 more than ten years, we really need to look at  
16 that. And that kind of is what is at the root  
17 cause of a lot of problems, when there's been tax  
18 increases imposed by the City, fine increases  
19 imposed by the City, regulatory changes imposed by  
20 the City, we have to look at a way to make  
21 industry be able to stay in the City and not wind  
22 up closing down. We have to be able to allow  
23 entrepreneurs to at least have a balance so that  
24 they can continue to feed their families. What  
25 that, Commissioner Freedman?



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2                   FRAN FREEDMAN: Good morning,  
3 Council Member Comrie. It's very hard for me not  
4 to call you good morning, Chair. But it's good to  
5 see you and Council Member Reyna. And good  
6 morning, everyone. I'm Fran Freedman, the Deputy  
7 Commissioner for External Affairs for the  
8 Department of Consumer Affairs. Commissioner  
9 Mintz has asked me to thank you for the  
10 opportunity to appear before you to comment this  
11 morning on Intro number 201, a bill that proposes  
12 a significant increase in the fees that towing  
13 companies could impose on consumers faced with  
14 nonconsensual tows of their vehicles.

15                   To get straight to the point, the  
16 Department strongly opposes this bill. To burden  
17 consumers with double increases and even more in  
18 fees during these hard times, particularly for an  
19 industry which every single year ranks among the  
20 top five generators of consumer complaints, is  
21 very simply a bad idea.

22                   Currently, DCA licenses 618 tow  
23 companies with 1,639 trucks and 3, 182 licensed  
24 tow truck drivers. Over the past few years, the  
25 tow industry has racked over 1,600 violations and

1  
2 nearly \$1.9 million in fines. Fortunately, DCA  
3 mediators have been able to recover nearly  
4 \$200,000 in restitution for consumers who are  
5 taken advantage of by these bad players, but they  
6 have to work day in and day out to do so.

7           While certainly not every tow  
8 company or tow operator is guilty of improper or  
9 illegal activity when dealing with New York City  
10 consumers, there have been some serious chronic  
11 problems over time in the industry. Here is a  
12 short list of what DCA mediators hear every day  
13 from beleaguered consumers who are victims of  
14 unauthorized and aggressive towing, all of which  
15 translate into illegal schemes to force consumers  
16 to pay more. And here they are, in their own  
17 words.

18           The tow truck driver refused to  
19 take my credit card even when the law says he  
20 must. The tow truck driver charged me twice the  
21 legal rate for the tow. My car was in an accident  
22 and the next thing I know they towed my car to get  
23 repaired without my authorization by one of their  
24 pal's repair shops. I was illegally towed from a  
25 lot when I was shopping in a store that owned the

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2 lot. Not only was I towed from a lot that didn't  
3 have the proper signage, the driver behaved  
4 incredibly rudely to me. I arrived at the lot  
5 from shopping in less than the two hours allowed,  
6 just as the tow driver had attached my car, and he  
7 refused to honor the law's drop rate. The tow  
8 company insisted on cash and never gave me a  
9 receipt. I was overcharged for storage and no one  
10 ever told me where my car was taken. The tow  
11 company refused to allow my insurance company to  
12 see the car, and they tried to charge me extra  
13 fees.

14           Simply put, this bill completely  
15 changes the current law's carefully-crafted rate  
16 guidelines and asks the consumer, who himself may  
17 be injured or whose car was damaged in an  
18 accident, to give a larger check than ever before  
19 to the towing company that swoops in to grab the  
20 car from the accident scene or the private lot.

21           Particularly in hard times, the  
22 last thing that our consumers need--consumers who  
23 are struggling to pay down debt, prevent their  
24 homes from going into foreclosure and protect  
25 their money every way they can--is to have one of

2 the most troublesome industries be rewarded with a  
3 punishing rate hike. On behalf of New York's  
4 consumers, DCA opposes this bill and urges this  
5 Committee to do the same.

6 Thank you again for the opportunity  
7 to testify and I'd be happy to answer questions.

8 CHAIRPERSON KOSLOWITZ: I would  
9 like to ask a few questions. One of the questions  
10 I have, with all these different complaints that  
11 you receive; do you receive the name of the tow  
12 company that's involved in this? And what does  
13 DCA do about it?

14 FRAN FREEDMAN: Yes, ma'am, we do  
15 receive the names.

16 CHAIRPERSON KOSLOWITZ: And what do  
17 you do about it? What do you do?

18 FRAN FREEDMAN: We mediate the  
19 complaints.

20 CHAIRPERSON KOSLOWITZ: And what do  
21 you do to the person that is the person that  
22 charged, that didn't take a credit card or did all  
23 these bad things? What do you do with them?

24 FRAN FREEDMAN: We give them  
25 violations which they have to pay, hence the

1  
2 fines. And of course we try to recover monies for  
3 the consumer. Sometimes that money has to come  
4 from the rest--you know that we have a trust fund  
5 that tow companies pay into. So sometimes the  
6 money comes out of the fund, if the company is  
7 unable to restore that fee.

8 CHAIRPERSON KOSLOWITZ: Well, there  
9 seems to be a problem in how DCA handles it. If a  
10 tow company is not obeying the law, he should be  
11 punished more than what is being done, a  
12 violation, it's, you know, people feel it's the  
13 cost of doing business. But meanwhile he went  
14 away with all the money, and the consumer may get  
15 their money back, will get their money back. But  
16 he's still doing--he's going to do it to the next  
17 consumer. And what about the licenses that they  
18 have? Maybe their licenses should be revoked if  
19 they break the law.

20 FRAN FREEDMAN: We'll certainly  
21 look at that.

22 CHAIRPERSON KOSLOWITZ: I mean, you  
23 know, that would make more sense than to punish  
24 everybody, including the good people in the  
25 business that are also earning a living, and they

1  
2 fit in with the rest of the people with the cost  
3 of living. Their cost of living hasn't gone up.  
4 I mean I hate to say this, but their cost of  
5 living hasn't gone up since I was here the last  
6 time. And I think most people got something in  
7 between. We're talking about ten years. That's a  
8 very long time.

9 FRAN FREEDMAN: I understand.

10 CHAIRPERSON KOSLOWITZ: So I hope  
11 you bring that back to the administration.

12 FRAN FREEDMAN: Certainly.

13 CHAIRPERSON KOSLOWITZ: That I  
14 don't think they're being punished enough for  
15 breaking the law.

16 FRAN FREEDMAN: There have indeed  
17 been some license revocations. I couldn't tell  
18 you how many, but there have been license  
19 revocations.

20 CHAIRPERSON KOSLOWITZ: What do  
21 they say is the reason for them not, when they  
22 won't take a credit card and the things that you  
23 mention? What do they say?

24 FRAN FREEDMAN: What does the  
25 business say?

2 CHAIRPERSON KOSLOWITZ: Yeah.

3 FRAN FREEDMAN: The representative  
4 of the business simply says, we don't take credit  
5 cards. And the consumer, who is at the moment  
6 frazzles, upset, intimidated, pays in cash. I  
7 mean, I think a consumer is not in a position when  
8 their car is literally on the hook to argue.  
9 That's why they come to us.

10 CHAIRPERSON KOSLOWITZ: Right. But  
11 they're breaking the law. They are still breaking  
12 the law.

13 FRAN FREEDMAN: Exactly.

14 CHAIRPERSON KOSLOWITZ: I mean, if  
15 I remember correctly, credit cards were one of the  
16 things that we did do that they had to accept  
17 credit cards.

18 FRAN FREEDMAN: Correct.

19 CHAIRPERSON KOSLOWITZ: So he's not  
20 obeying the law, so how can he say I do not take  
21 credit cards when the law states that he should  
22 take credit cards? They have to take credit  
23 cards.

24 FRAN FREEDMAN: We agree.

25 CHAIRPERSON KOSLOWITZ: So, you

1  
2 know, I think the tow companies that are doing  
3 this are wrong, but I also think the  
4 administration is not handling it the way it  
5 should handle it, and that's by being much  
6 tougher. A violation? So what? They get a  
7 violation. I mean the consumer is--if I don't  
8 have cash on me and my car was towed and he  
9 doesn't take credit cards, I'm back where I  
10 started from. That's why--that is why we passed  
11 this law, that every tow company should take a  
12 credit card. Then the person has to go in the  
13 middle of the night or whenever to get the cash  
14 and a cash machine. Those were the reasons we did  
15 that, so they have the credit card on them and  
16 they pay by it. So we're back to square one where  
17 we started off from.

18                   FRAN FREEDMAN: The Department is  
19 well aware of that, and that's why we oppose this  
20 rate change.

21                   CHAIRPERSON KOSLOWITZ: Well,  
22 forget about the rate change. I would like to see  
23 the Department kind of obey the law too.

24                   FRAN FREEDMAN: We do.

25                   CHAIRPERSON KOSLOWITZ: Not if a



1  
2 person doesn't take a credit card and they get a  
3 violation. They're breaking the law. So that, to  
4 me, is not the way it should be.

5 FRAN FREEDMAN: I think we're using  
6 every tool in our toolkit.

7 CHAIRPERSON KOSLOWITZ: Well, I  
8 don't know. I'm not, you know, I'm not happy with  
9 it. But we'll continue the conversation. This is  
10 the first hearing and we'll continue the  
11 conversation.

12 [Pause]

13 CHAIRPERSON KOSLOWITZ: Diana?  
14 Council Member Reyna?

15 COUNCIL MEMBER REYNA: Thank you,  
16 Madam Chair. I want to just continue the line of  
17 questioning as far as the Chair had just  
18 initiated. Ms. Freedman, you mentioned in your  
19 testimony and I am only going to address the  
20 issues that you just mentioned as a list of  
21 complaints that you quoted from consumers. Of the  
22 618 tow companies, how many tow companies have  
23 been investigated or where the law needed to be  
24 enforced as far as whether or not every company  
25 has credit card acceptance, credit card machines,

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2 to be able to charge with a credit card as the  
3 option?

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5 FRAN FREEDMAN: Let's take the  
6 second question first. Every tow company needs to  
7 have that, because it is the law.

8

9 COUNCIL MEMBER REYNA: Correct.  
10 And so now I want to take it a step further.

11

12 FRAN FREEDMAN: I would not know  
13 how many don't, to be candid.

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15 COUNCIL MEMBER REYNA: Can you--

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17 FRAN FREEDMAN: [Interposing] I  
18 have no idea. I can find out for you.  
19 COUNCIL MEMBER REYNA: Can you do  
20 that right now?

21

22 FRAN FREEDMAN: Find out now?

23

24 COUNCIL MEMBER REYNA: Yes.  
25 Through the BlackBerry.  
26 FRAN FREEDMAN: We could try, but I  
27 don't want to promise.

28

29 COUNCIL MEMBER REYNA: I would love  
30 that.

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32 FRAN FREEDMAN: I don't want to  
33 promise.

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35 COUNCIL MEMBER REYNA: And of the

1  
2 618, considering we're not too sure of the number,  
3 at the very least, can you confirm or deny whether  
4 or not every tow company has been visited and  
5 posed the question and witnessed that there is  
6 credit card capacity?

7           FRAN FREEDMAN: I can't say that  
8 because I can't tell you for certain that that's  
9 been done.

10           COUNCIL MEMBER REYNA: Who  
11 regulates the tow companies?

12           FRAN FREEDMAN: We do.

13           COUNCIL MEMBER REYNA: So I would  
14 want to assume and affirmatively say, if I were  
15 DCA, that every tow company has been visited.  
16 Where the law needed to be enforced with proper  
17 outreach and education that the law is being  
18 complied with. And therefore that required DCA to  
19 have field visits where you are witnessing that  
20 there is credit card capacity. Would you not  
21 agree?

22           FRAN FREEDMAN: I'll certainly take  
23 that back.

24           COUNCIL MEMBER REYNA: Okay.

25           FRAN FREEDMAN: I'll certainly take

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2 that back.

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COUNCIL MEMBER REYNA: And of the  
1,639 trucks, are the trucks required by law to  
have credit card machines for capacity?

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FRAN FREEDMAN: Yes.

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COUNCIL MEMBER REYNA: And how many  
of the 1,639 trucks have the capacity to accept  
credit cards?

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FRAN FREEDMAN: Again, I don't know  
the answer to that question.

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COUNCIL MEMBER REYNA: So those are  
two separate questions--I don't want to make it  
seem like I only want to know about the tow  
company, I only want to know that every truck  
licensed, 1,639 as quoted from your testimony,  
have the capacity, because that's the only way to  
address consumer complaints. This isn't just  
about making the industry pay penalties, but how  
are we providing the corrective action, and  
preventing that this is not occurring time and  
time again. And it would have to be a proactive  
approach on behalf of the agency. Would you not  
agree?

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FRAN FREEDMAN: I completely

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understand.

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COUNCIL MEMBER REYNA: And so, of the 3,182 licensed tow truck drivers, how many licenses have been issued a violation because of the credit card not being accepted?

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FRAN FREEDMAN: I don't have that breakdown. I don't. But that's something I can get for you. I'm not sure we can get it now on the BlackBerry, but that is something I can get for you.

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COUNCIL MEMBER REYNA: And I would hope that if you're going to give us these types of complaints, that the statistics come in to verify the information. Because on a complaint alone, I'd imagine that 100% of your complaints have not been substantiated, correct?

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FRAN FREEDMAN: I'm not sure I understand what you mean.

20

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COUNCIL MEMBER REYNA: Are you telling me that every complaint coming into DCA has been investigated and has been a factual complaint that has risen to the level of a violation?

25

FRAN FREEDMAN: Oh, I understand

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2 what you mean. Yes.

3

COUNCIL MEMBER REYNA: 100%?

4

5 almost 100% of these complaints that I've just--  
6 100% of the complaints that I've just shared with  
7 you have been those that have been investigated  
8 and verified.

9

COUNCIL MEMBER REYNA: Correct.

10

Out of how many?

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12 FRAN FREEDMAN: But not--naturally  
not all the complaints that come in--

13

COUNCIL MEMBER REYNA:

14

[Interposing] Correct.

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16 FRAN FREEDMAN: --are--after the  
mediation process has concluded--been verified.

17

COUNCIL MEMBER REYNA: Excellent.

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19 So it's fair to say that 100% of the industry is  
not guilty of these complaints.

20

FRAN FREEDMAN: Precisely.

21

Precisely.

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COUNCIL MEMBER REYNA: Thank you.

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24 I just wanted, you know, verification on that  
particular point. And a year ago, one of the

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issues that had been raised, I believe you

1  
2 mentioned in your testimony this time around,  
3 where you are referring to the deregulation  
4 language.

5 FRAN FREEDMAN: No. We understand  
6 very clearly that--

7 COUNCIL MEMBER REYNA:  
8 [Interposing] Okay.

9 FRAN FREEDMAN: That in this  
10 version, in the A version it was not deregulated.  
11 We were concerned last time.

12 COUNCIL MEMBER REYNA: Correct.

13 FRAN FREEDMAN: You were absolutely  
14 correct. And those issues were--

15 COUNCIL MEMBER REYNA:  
16 [Interposing] Have been resolved.

17 FRAN FREEDMAN: Were resolved  
18 because this version does not deal with any of the  
19 deregulation, we were pleased to see. Thank you.

20 COUNCIL MEMBER REYNA: No,  
21 absolutely. I'm happy to be able to work with  
22 DCA. And in the spirit of being able to work with  
23 DCA, do you agree that the towing industry is a  
24 necessary means of doing business in the City of  
25 New York that an employee should be able to

1  
2 receive a pay raise? And naturally the towing  
3 industry cannot give pay raises when it's  
4 regulated by DCA.

5           FRAN FREEDMAN: I would only say  
6 that we agree, clearly, that the towing industry  
7 is an incredibly necessary industry for the City,  
8 for our consumers. And I must say that in fact  
9 we've seen growth in the industry in terms of the  
10 numbers. I think the last time we spoke together  
11 we had only about 500 tow companies that were  
12 licensed. We're now up to 618. There's been no  
13 evidence that these businesses in fact are not  
14 lucrative as far as we can tell. And what we are  
15 very concerned about is taking advantage in  
16 illegal ways of consumers. That's our concern.

17           COUNCIL MEMBER REYNA: Who licenses  
18 the towing businesses to exist?

19           FRAN FREEDMAN: DCA.

20           COUNCIL MEMBER REYNA: So if you're  
21 approving more licenses for companies to exist,  
22 it's because they're not all bad guys and there's  
23 a necessary need. You just mentioned to me that  
24 there's a growth in the business.

25           FRAN FREEDMAN: Right.



1  
2 COUNCIL MEMBER REYNA: But you're  
3 allowing the growth.

4 FRAN FREEDMAN: We do try to  
5 license businesses that want to be licensed.  
6 That's one of your jobs.

7 CHAIRPERSON KOSLOWITZ: And when  
8 those extra 118 people come to the window for  
9 their license, are they told what they have to do,  
10 that they have to take credit cards and everything  
11 that they have to do to follow the law that was  
12 created?

13 FRAN FREEDMAN: Absolutely. In  
14 fact, in fact we've made it--DCA has made it even  
15 easier for all businesses to become licensed. All  
16 the information is online for towing companies and  
17 tow drivers. You can file online. And if you go  
18 online you'll see the complete packet of--

19 CHAIRPERSON KOSLOWITZ:  
20 [Interposing] But nobody checks them. But nobody  
21 checks them afterwards.

22 FRAN FREEDMAN: Oh, of course.  
23 There's a whole fingerprinting process, the bond,  
24 the surety bond.

25 CHAIRPERSON KOSLOWITZ: No, I

1  
2 understand all that. But I'm talking about credit  
3 cards, enforcement after they're out--

4 FRAN FREEDMAN: [Interposing] Well,  
5 I must say that towing is one of the industries in  
6 which enforcement is mainly complaint driven,  
7 which is not to say that we could not at some  
8 point in time do a sweep of the industry, for  
9 example. We've done that for other industries.

10 CHAIRPERSON KOSLOWITZ: Well, it's  
11 not fair that they should suffer because of--

12 FRAN FREEDMAN: [Interposing] Bad  
13 players.

14 CHAIRPERSON KOSLOWITZ: --that way.  
15 It's not fair that the industry, on a whole who  
16 are doing their jobs and doing it right, should  
17 suffer, you know, without having--not having a  
18 rate increase. Because we're not going after the  
19 bad guys, the guys that don't take credit cards.  
20 We're not doing anything to them, so why should  
21 they suffer when they've been in business--I mean  
22 I'm sitting here and I'm looking around the room  
23 and I know these people. They were there before  
24 and they're here now. And why should they suffer  
25 because we're not doing our job? The City is not

1  
2 doing their job on checking on the bad guys that  
3 the complaints come from, you know, people that  
4 complain about the companies. So everybody, you  
5 know, gets punished.

6 I just want to ask and then I'm  
7 going to turn it over to my colleague.

8 COUNCIL MEMBER REYNA: I didn't  
9 finish, Karen. I'm sorry.

10 CHAIRPERSON KOSLOWITZ: I just want  
11 to ask, was the ROWTOW advisory board--the  
12 advisory board, is that still in effect?

13 FRAN FREEDMAN: We don't have a new  
14 board yet. I have to be very honest with you; the  
15 Department had focused on other issues. We did  
16 try to revive the tow board, and to be perfectly  
17 frank, we were having a very hard time getting  
18 clearance on many of the people we had put on the  
19 board, so.

20 CHAIRPERSON KOSLOWITZ: When was  
21 the last time the Board met?

22 FRAN FREEDMAN: I think it was  
23 before my time. So it must have been for--excuse  
24 me? 2004.

25 CHAIRPERSON KOSLOWITZ: That's a

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2 long time.

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FRAN FREEDMAN: And we are looking into that, absolutely.

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CHAIRPERSON KOSLOWITZ: I mean, you know, to me it just seems that the administration hasn't kept up with what is the law. So, you know, continue.

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COUNCIL MEMBER REYNA: Thank you very much, Madam Chair. I know that this is very disappointing to hear that the--along the lines of the Department of Consumer Affairs allowing more businesses to compete in the City of New York, increasing the numbers to a total of 618 towing companies that, with the same breath, we're not looking into the issues of a pay increase for rates. Because the rates directly affect the businesses that you're licensing. And so, telling is that you're willing to increase the number of companies out there but you're not willing to give them a tow rate increase is counter-productive. And I hope that the DCA as an agency can look into just trying to mitigate what is a priority within the industry, rather than trying to just put out there more cases where you would have an increase

1  
2 in load to be able to enforce the law that  
3 currently I'm not convinced is being upheld, in  
4 part due to DCA's inability to perhaps regulate  
5 every tow company out there, by making sure that  
6 there's outreach and education and enforcing the  
7 law by investigating as complaints do come in, to  
8 address it at a macro level, not just a very micro  
9 level, one company at a time or one complaint  
10 driven at a time. This isn't about just one  
11 complaint, because where you see one complaint as  
12 far as a credit card issue, not being addressed,  
13 you can certainly start to use your statistics to  
14 drive whether this is a higher volume of complaint  
15 and then addressing the issue as a whole amongst  
16 the industry. And those are conversations that  
17 need to take place. And perhaps with this  
18 advisory board being revived you can address those  
19 complaints. But, the fact still remains; DCA  
20 stands in the way of increasing the tow rate, and  
21 is not willing to and is not amenable to it. And  
22 so we need your cooperation in order for this city  
23 to thrive, and not only convince yourself that  
24 allowing more tow companies to be licensed is the  
25 answer to your problems.

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FRAN FREEDMAN: Thank you.

2

COUNCIL MEMBER REYNA: Thank you.

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CHAIRPERSON KOSLOWITZ: We've been

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joined by Council Member Charles Barron.

5

COUNCIL MEMBER BARRON: Am I

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hearing that we want consumers with all of these

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complications; we want consumers to bail out the

8

problem? That we are for a bill that--you know,

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towing is a drag for a lot of people that are

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already struggling. And I don't understand, and I

11

find myself in rare agreement with you on this

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one. I think that I have too many just horror,

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horrific stories on the costs that people have to

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go through with towing. I mean, if there are some

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issues, then we've got to deal with it in another

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way other than, you're quite correct, in these

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economic crisis time that we're going to tell the

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consumers to be the solution to this problem? I

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think we need to look at another way of going

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about this, because there's too much that's going

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on in this town that's really breaking the backs

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of ordinary people. I just dealt with last week

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people paying too much money to deal with this

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towing stuff. I don't understand it. You know, I

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1  
2 don't get it. I don't get it. I think we're  
3 supposed to be here, number one, not to--people  
4 are going to have to make less profits or whatever  
5 it is that they're making. I don't know that  
6 what's happening with the towing industry in terms  
7 of how much money they're making and whether this  
8 will mean that are they in the red or in the black  
9 they are making less profits. But I don't get it  
10 how City Council is coming forward to talk about  
11 consumers is going to have to bail these folk out.  
12 I just don't get it. This one I'm a little  
13 confused on why we would be talking about raising  
14 the towing rate. I know all of you have to know  
15 that in your districts people have been  
16 complaining heavily, not only about the fees,  
17 which is too high for many families right now that  
18 are being hurt, but just about the services. And  
19 it's almost like you let an accident happen, they  
20 come out of nowhere. And then there's blown up  
21 prices. It's just--I don't get it. I don't get  
22 it, and I guess I'll talk to you more about the  
23 purpose of this bill. I just don't see how this  
24 protects--

25 CHAIRPERSON KOSLOWITZ:

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2 [Interposing] Okay.

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COUNCIL MEMBER BARRON: --the people that we're trying to protect, which is first and foremost the consumer.

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CHAIRPERSON KOSLOWITZ: Absolutely. But on the other hand I have to just say that the Department isn't doing their job in overseeing the bad guys in the industry.

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COUNCIL MEMBER BARRON: Well, then have them do a better job of overseeing the bad guys. I don't see how that connects to raising the cost for the consumer. Then that's the problem. Then that's something that we need to-- how does raising the rate--

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17

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CHAIRPERSON KOSLOWITZ: [Interposing] That's a separate issue. I mean that is a separate issue.

19

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COUNCIL MEMBER BARRON: Okay. Well, then what's the purpose of raising the rate?

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CHAIRPERSON KOSLOWITZ: Well, because they haven't had a rate--

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COUNCIL MEMBER BARRON: [Interposing] Because they haven't had one lately?

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CHAIRPERSON KOSLOWITZ: Not for--



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2 the last one was 2004.

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COUNCIL MEMBER BARRON: Okay. All right. So, you know, when was the last time the average person on the street had a raise, you know, that's paying this? When was the last time salaries went up for anybody? As a matter of fact, people are getting laid off. I don't get it.

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CHAIRPERSON KOSLOWITZ: Thank you. I would like to ask, what suggestions do you have to improve consumer protection in the towing industry?

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FRAN FREEDMAN: Well, we're certainly going to revive the tow advisory board, as you've suggested. I think that we can look at increased fines and the fine schedule for--

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CHAIRPERSON KOSLOWITZ:  
[Interposing] Increased fines for?

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FRAN FREEDMAN: For violators, for violators. I think that might be something that we could--that might be useful to talk about.

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CHAIRPERSON KOSLOWITZ: Okay. But I would also like to find a way that, you know, the towing industry doesn't get hurt. You know,

1

2 in all the things that we're going to be doing,  
3 that the towing industry doesn't get hurt.

4 Violators, if they break the law, I don't care, go  
5 after them.

6 FRAN FREEDMAN: And we feel  
7 strongly that we want to protect the consumers and  
8 make sure they don't get hurt, as they have been.

9 CHAIRPERSON KOSLOWITZ: Absolutely.  
10 But if you give a person, I'll say it again, if  
11 you give a person that violates the law a  
12 violation, that is not sufficient. They are  
13 breaking the law, because the law says they have  
14 to take credit cards. There's a whole list of  
15 thing that--

16 FRAN FREEDMAN: [Interposing] Well,  
17 that's why perhaps we need to look at the fine  
18 schedule. If you feel that a violation currently  
19 is not enough then I think we need to look at the  
20 fine schedule.

21 CHAIRPERSON KOSLOWITZ: Okay,  
22 because like I said--

23 FRAN FREEDMAN: [Interposing] Okay?

24 CHAIRPERSON KOSLOWITZ: --you're  
25 hurting the rest of the industry by slapping the

1  
2 bad guy just on the wrist and telling him, you  
3 know, okay here's your violation, just go out and  
4 do the same thing again. Because what's going to  
5 stop them--

6 FRAN FREEDMAN: [Interposing]  
7 Clearly we're not telling them that. Clearly  
8 we're not telling them that.

9 CHAIRPERSON KOSLOWITZ: No, but by  
10 only giving a violation for breaking the law, it's  
11 basically saying that. I mean other businesses  
12 say, you know, it's the cost of doing business.  
13 And that's what we're saying. And we're hurting  
14 the rest of the industry and we even hurting the  
15 consumer.

16 FRAN FREEDMAN: And we do do  
17 license revocations. So perhaps we can look at  
18 that and make sure--

19 CHAIRPERSON KOSLOWITZ:  
20 [Interposing] What is the basis for it?

21 FRAN FREEDMAN: A certain number of  
22 fines. So I think we have to look at that as  
23 well?

24 CHAIRPERSON KOSLOWITZ: How many  
25 fines do they get?

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2 FRAN FREEDMAN: I'm not sure of the  
3 exact scheduled.

4 CHAIRPERSON KOSLOWITZ: I would  
5 like that.

6 FRAN FREEDMAN: Okay.

7 CHAIRPERSON KOSLOWITZ: I would  
8 like to have that.

9 FRAN FREEDMAN: I'd be happy to do  
10 that.

11 CHAIRPERSON KOSLOWITZ: Okay. Any  
12 other questions? Go ahead.

13 COUNCIL MEMBER REYNA: Ms.  
14 Freedman?

15 FRAN FREEDMAN: Yes.

16 COUNCIL MEMBER REYNA: What is the  
17 tow rate for the police department?

18 FRAN FREEDMAN: \$185.

19 COUNCIL MEMBER REYNA: Is that the  
20 rate that DCA enforces?

21 FRAN FREEDMAN: No. That's  
22 strictly the police department. It was not set by  
23 us, and I believe it was not set by the police  
24 department either. It was set in 2002--

25 COUNCIL MEMBER REYNA:

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2 [Interposing] By whom?

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FRAN FREEDMAN: I think OMB set that. I don't want to speak for the police department, but I do believe that's how that rate got set in 2002.

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COUNCIL MEMBER REYNA: And what is the disparity between the rate that DCA has imposed and the police department rate that has been imposed by the City of New York that you had nothing to do with?

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FRAN FREEDMAN: The disparity?

COUNCIL MEMBER REYNA: As far as the difference.

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FRAN FREEDMAN: I believe DARP started at \$70, is now, in the new laws proposed, at \$185.

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COUNCIL MEMBER REYNA: I just want now, what is the current rate.

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FRAN FREEDMAN: \$70.

21

COUNCIL MEMBER REYNA: Right.

22

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FRAN FREEDMAN: \$70 for--oh, you want to know what all the current rates are?

24

COUNCIL MEMBER REYNA: Correct.

25

FRAN FREEDMAN: Yeah. \$70 for the

1  
2 DARP program, \$80 for the ROWTOW program, \$100 for  
3 towing from a private lot. Arterial tows are set  
4 differently because the different highways, there  
5 are different prices for the different highways so  
6 it's a more complicated but--

7 COUNCIL MEMBER REYNA:

8 [Interposing] And it's contract-based?

9 FRAN FREEDMAN: Yeah. But  
10 basically those are the rates, currently.

11 COUNCIL MEMBER REYNA: And so the  
12 difference between what you have set, DCA has set,  
13 and--

14 FRAN FREEDMAN: [Interposing] That  
15 was set by, actually set by Council. I mean  
16 that's--you know, those are the rates we enforce.  
17 Those are not the rates we set.

18 COUNCIL MEMBER REYNA: Oh, so now  
19 we--

20 FRAN FREEDMAN: [Interposing] It's  
21 Council, yeah. Yeah. That's why it's in your  
22 court. That's why it's in your court.

23 COUNCIL MEMBER REYNA: And--

24 FRAN FREEDMAN: [Interposing] Which  
25 is why we've--we're trying to bring you some

1  
2 information to help you in that decision-making  
3 process.

4 COUNCIL MEMBER REYNA: But you  
5 didn't bring me the information I requested, which  
6 are the three areas of how many businesses have  
7 been enforced concerning these complaints that you  
8 had mentioned.

9 FRAN FREEDMAN: Yes, we're going to  
10 get you that.

11 COUNCIL MEMBER REYNA: The  
12 statistics are very important.

13 FRAN FREEDMAN: We're going to get  
14 you that, absolutely.

15 COUNCIL MEMBER REYNA: And so, you  
16 know, coming prepared, with all due respect, if  
17 you're going to give me complaints, I'd like to  
18 know the statistics behind those complaints, and  
19 to ensure that we're enforcing the law across the  
20 board to be able to understand the opposition that  
21 DCA has concerning a tow rate increase. You know,  
22 I'm just as interested in protecting the consumer,  
23 but the rate is not about protecting the consumer.  
24 It's the enforcement that protects the consumer.  
25 And at the same time, you don't know what the

1  
2 approval of the additional 118 towing companies  
3 that you have licensed, not us, only throws into  
4 the mix. Perhaps more bad apples, or perhaps  
5 better apples, but we don't know. And you would  
6 be the agency that would know. And so, you know,  
7 if 100% of the towing industry are not all bad,  
8 then why would we say that 100% of the industry  
9 should not see a rate increase?

10 FRAN FREEDMAN: I understand, and  
11 we'll be happy to get you that information.

12 COUNCIL MEMBER REYNA: Thank you  
13 very much.

14 CHAIRPERSON KOSLOWITZ: What I  
15 would like to do is set up a meeting where we sit  
16 down, and all my colleagues are invited, and we  
17 discuss this further and get the facts and the  
18 numbers and everything else with DCA.

19 FRAN FREEDMAN: I'd be happy to do  
20 that.

21 CHAIRPERSON KOSLOWITZ: Okay, thank  
22 you.

23 FRAN FREEDMAN: Thank you.

24 CHAIRPERSON KOSLOWITZ: I'd like to  
25 call Peter O'Connell, Norman Teitler and Joseph



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Robles.

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[Pause]

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CHAIRPERSON KOSLOWITZ: Try and

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keep your testimonies, you know, as brief as you

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can. Up to five minutes.

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PETER O'CONNELL: Is this on? Yes,

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it is. Thank you for the opportunity to testify

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here today. My name is Peter O'Connell. I am the

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Attorney for the Empire State Towing and Recovery

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Association. I'll just paraphrase the written

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testimony that I submitted. But before I do that,

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I would like to address a few of the issues that

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were raised by Ms. Freedman.

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When she mentioned that there were

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1,600 violations per year involving towing

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companies, you should realize that this comes out

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to approximately four to five violations a day,

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when you break it down. I think that if you

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examined our records you would find that the

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majority of those 1,600 violations involve

22

failures to respond to accident scenes or

23

responding tardily to accident scenes, not

24

necessarily issues involving consumer protection.

25

You'll also find that their fine

1  
2 structure today, the average fine, and I'd rather  
3 have Mr. Teitler or his associate verify this, but  
4 they're in the neighborhood of \$1,000, which is  
5 not insignificant for a failure to accept a credit  
6 card, let's say. Consider also of the 1,600  
7 violations, how many tows occur per year in this  
8 city. That's in the hundreds of thousands of  
9 dollars. So to characterize the industry as  
10 flagrant violators of the law I think is  
11 disingenuous at best.

12           And I think that the Committee is  
13 absolutely correct in that those issues have  
14 absolutely nothing to do with the fairness of a  
15 rate increase. And you should deal with her  
16 issues, but deal with them separately from the  
17 rate issues. They're not at all related.

18           As has been advised earlier, the  
19 bill that is before you seeks to increase the rate  
20 to \$185 per tow and to \$25 or \$35 for storage  
21 fees. And these are for nonconsensual tows, all  
22 tows. There's also a consumer advantage to having  
23 a uniform rate across the board. There is very  
24 little difference in the way that the various  
25 services are performed. And when towers have to

1  
2 have on them lists of four different rate  
3 structures, it gets confusing. Consumers  
4 sometimes feel that they're cheated when you're  
5 quoted a rate and you see that there's another  
6 rate that applies to a different type of a tow.  
7 And there's really little or no justification for  
8 the difference between the various types of  
9 consumer tows.

10 And I am pleased that Ms. Friedman  
11 acknowledged that the current bill does address  
12 the deregulatory aspects that were inadvertently  
13 inserted in last year's bill. This bill is solely  
14 about rates. It does not deregulate the industry  
15 in any way.

16 Last year I testified about rates  
17 in other cities. And they range; every major  
18 metropolitan city in the country, the rates range  
19 between \$150 and over \$200. We're close to half  
20 of that. We're a city that has perhaps the  
21 highest cost of doing business of any city in the  
22 country, and yet our tow rates are close to 50% of  
23 what is charged in most other major cities.

24 Recently, just two months ago,  
25 bringing things a little bit closer to home, the

1  
2 town of North Hempstead increased its tow rates to  
3 \$125 for a hook up plus first mile, and \$5 for a  
4 mile thereafter. That translates out to between  
5 \$150 to \$175 per tow. Upstate, generally the  
6 rates run between \$100 to \$150 per tow. But you  
7 have to realize also that most of the programs  
8 that you deal with, both on Long Island and  
9 Upstate, have more liberal requirements for towers  
10 to have additional charges attended to the tow,  
11 such as for a cleanup and standby time and things  
12 of that sort. So it's not unusual for tows  
13 Upstate where the cost of living is much lower, to  
14 be in the \$175 to \$200 range for police authorized  
15 tows.

16 The rate that was requested in  
17 2001, we were--the industry was looking for a rate  
18 of \$125, and at that time rates of \$70 and \$80  
19 were granted. It was insufficient then. And  
20 since then, as you all know, the cost of doing  
21 business has risen dramatically. I can just cite  
22 fuel costs for example. At that time fuel was  
23 running less than \$2 a gallon, probably less than  
24 \$1.50 a half a gallon. Today, as we know, the  
25 fuel costs are enormously high, particularly for

1  
2 the diesel fuel they use in their trucks. The  
3 cost of equipment has escalated. The cost of  
4 their insurance has. The industry, and I would  
5 prefer to have members of the industry address  
6 just how dire shape their businesses are in, many  
7 of them are losing money as a result of the  
8 enormously low tow rates that are in effect. And  
9 the industry drastically needs a rate increase for  
10 its very survival. And thank you very much for  
11 the opportunity to be here today. And if you have  
12 any questions, I would be pleased to address them.

13 JOSEPH ROBLES: My name is Joseph  
14 K. Robles. I am the President of Knight's  
15 Collision Experts of Brooklyn. I am also the  
16 Metropolitan Regional Vice President of the Empire  
17 State Towing and Recovery Association.

18 Today's hearing on nonconsensual  
19 towing rates is of primary importance to the  
20 towing industry, which is comprised of hundreds of  
21 small businesses. The bill that is the subject o  
22 this hearing, Intro 201-A, seeks to raise  
23 nonconsensual tow rates for DARP, ROTOW, Arterial  
24 and private property tow rates to \$185. While  
25 this may appear to be a large increase, it is the

1  
2 same amount that New York City Police, Marshalls,  
3 Sheriffs and the Department of Finance SCOFFLAW  
4 towers are permitted to charge. This bill will  
5 provide one rate for all nonconsensual tows within  
6 the City of New York. It is also more in keeping  
7 with the rates that are charged in many other  
8 metropolitan areas.

9           Towing companies, such as mine,  
10 rely heavily upon governmental contracts in order  
11 to stay in business. My company tows disabled and  
12 damaged vehicles from two sections of the City's  
13 arterial highway system. My company also  
14 participates in the City's DARP and ROTOW  
15 programs, where they remove damaged and abandoned  
16 vehicles from City streets.

17           The rates that towers may charge  
18 under these programs are set by law, as are the  
19 rates they may charge for towing vehicles that are  
20 illegally parked on private property. The rates  
21 for those programs were last raised almost ten  
22 years ago.

23           As Peter said earlier, the town of  
24 North Hempstead recently approved a rate of \$125  
25 plus \$5 per mile, which brings the average tow to

1  
2 \$150 to \$175. The fuel costs have skyrocketed;  
3 the overhead expenses within the City are also  
4 generally higher than other areas of the country.  
5 The cost of insurance and equipment has also risen  
6 dramatically. And quite frankly, I am finding it  
7 difficult to remain in business and to provide a  
8 decent wage to my employees under the current rate  
9 structure.

10 I used to pride myself in the fact  
11 our company offered our employees health  
12 insurance, life insurance and membership in the  
13 ASA Federal Credit Union for our employees'  
14 retirement and savings. Over the past five years  
15 we've had to discontinue all of those benefits and  
16 have not been able to give our employees raises  
17 during that period either. I've also been forced  
18 to reduce our support and management staff due to  
19 losses my company has incurred. In December 2008  
20 I was forced to mortgage a property that was owned  
21 free and clear, and this week I will be mortgaging  
22 another property. These loans are needed to  
23 finance the losses that my company has suffered by  
24 not being able to raise its rates as its costs  
25 have gone up drastically.

1  
2           Some may wonder why someone would  
3 continue to operate a business that was suffering  
4 such losses. My company was established in 1948  
5 by my grandfather, and I am the third generation  
6 owner of this business, which is now 62 years old.  
7 We also employ close to 40 employees, many who  
8 have devoted their entire lives to our company and  
9 this industry. Having to consider closing the  
10 business, I had to look at all the lives that  
11 would be affected. So I have been tirelessly  
12 trying to get a rate increase for my industry for  
13 over the past three years, now.

14           We are hardworking, honest  
15 individuals that are only asking for a rate that  
16 is in line with other tow programs operated and  
17 regulated by the City of New York and around the  
18 country. It is only fair that all segments of a  
19 regulated industry are allowed to charge the same  
20 amount for what amounts to be the same exact  
21 service.

22           We have lost many talented  
23 employees to other industries that are able to pay  
24 a prevailing wage that we simply cannot compete  
25 with. Most of my employees, who are all your



1  
2 constituents, are blue-collar workers who have  
3 limited skills and do not have skills for other  
4 trades. The demise of my business and the demise  
5 of numerous other towing businesses that struggle  
6 like I am, would have a serious impact upon the  
7 neighborhoods we serve.

8 Thank you for providing me with the  
9 opportunity to express my views on this issue of  
10 importance. I am always available for any  
11 questions you may have.

12 Could I just go into one situation  
13 regarding this credit card issue and the  
14 importance of the tow advisory board? Because on  
15 my record I have only had one hearing in the past  
16 five years, that was for not accepting a credit  
17 card. And my opinion, the reason was the driver.  
18 My opinion was that the driver was not an honest  
19 driver. He was actually stealing from me, that's  
20 why he was insisting on credit cards. I produced  
21 to the department my credit card statement for  
22 that day, which was in the thousands of dollars.  
23 Okay. And because I had fired this employee by  
24 the time we had the hearing, I couldn't produce  
25 him. And therefore the only first party testimony

1  
2 was the person complaining. I therefore got a  
3 \$1,500 fine for a dishonest employee.

4 But if we had a tow advisory board,  
5 we could communicate that to the Department and we  
6 could tell the Department, you know, you license  
7 over 3,000 drivers. If you're really trying to  
8 improve this situation, hold the hearing on the  
9 driver's license, because he's the one out there,  
10 and the companies involved. This is why having  
11 the industry at the table; after I just heard  
12 horrific future for my industry which is now, the  
13 hearing is going to bring about additional  
14 violations, hearings and revocations. But if we  
15 were at the table we could--we know what's going  
16 on. We know how it works and how to stop it.

17 CHAIRPERSON KOSLOWITZ: Well, I  
18 just want to say this. I can assure you that this  
19 advisory board is going to happen, because it was  
20 part of the legislation that was introduced the  
21 last time, when I was in the City Council. And  
22 there's no reason that it stopped meeting. And I  
23 assure you that I will continue to talk to the  
24 administration and make sure that this advisory  
25 council, advisory board, is in effect.

1  
2 JOSEPH ROBLES: Thank you, Madam  
3 Chair.

4 NORMAN TEITLER: Good morning. My  
5 name is Norma Teitler. I am the Executive  
6 Director of the Metropolitan NY Towing, Auto Body  
7 and Salvage Association.

8 Let me just address what Deputy  
9 Commissioner Fran Freedman said for a moment  
10 before I address the bill. The 1,600 complaints  
11 are from more than over six years. The towing  
12 industry approximates between 275 and 310  
13 complaints per year. They do more than one  
14 million tows in the City of New York--the entire  
15 industry; that's on the arterials, the DARP the  
16 ROWTOW and consensual. If we take the complaints  
17 and we divide it into the amount of tows, it's  
18 less than one half of one percent. That means  
19 industry is 99.7 percent pure. If we go to Wall  
20 Street, if we go to the banking industry, I would  
21 love to see that record there. So it really  
22 bothers me when the Commissioner, the Deputy  
23 Commissioner comes here and she tries to downplay  
24 our industry.

25 Second, if Consumer Affairs is

1  
2 aware of bad players--and I represent this  
3 industry and I'm not going to deny that  
4 occasionally there is a bad player--why is that  
5 bad player simply fined to raise money for  
6 Consumer Affairs and not put out of business?  
7 They have the right to suspend or revoke that  
8 license. As you said, Ms. Chairman, Ms.  
9 Chairwoman, if you fine someone that's a means of  
10 doing business. If you suspend them for 30 days,  
11 watch how that changes. Because you just took  
12 money, severe money, out of their pocket. That  
13 agency has the ability to put the bad players out  
14 of business, the people who taint the rest of our  
15 industry.

16 The \$185 that the Police Department  
17 charges to tow cards, or that DOT charges to tow  
18 cars was set in 2002, and that was set after a  
19 study in the year 2002 that that's what it would  
20 cost the Police Department to do the service,  
21 making no profit. \$185 in 2002, when industry is  
22 entitled to recoup all of their expenses, and as  
23 businesspeople to make at least some profit.

24 Let's address Intro 201.  
25 Increasing the rates that towing companies can

1  
2 charge for their services. There is no doubt that  
3 the towing industry needs a rate increase to  
4 simply remain in business, pay their employees and  
5 pay their bills.

6 What is the private towing industry  
7 of New York City? They're citizens of the City of  
8 New York. They're taxpayers of the City of New  
9 York. They are voters in the City of New York.  
10 They are employers and business owners and most of  
11 all they are emergency first responders without  
12 whom this city could not function. If the towing  
13 industry were to shut down in this City for one  
14 day, it would shut the City of New York. We don't  
15 ever intend to do that, but we are an important  
16 industry in this city, without which the City  
17 could not function.

18 The time has come after many, many  
19 years, and it's been ten years, after tremendous  
20 increases in all the operating costs for towing  
21 companies in the City, for the rate increases  
22 called for in this bill to become law.  
23 Metropolitan and all its members are full in favor  
24 of a quick and early passage of this piece of  
25 legislation. However, certain changes in the bill

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are necessary.

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They are: one, in section 1, we forgot to amend 19-169 subpart 8, the removal of vehicles parked in front of a private driveway. That rate is in the law and it wasn't increased. I assume it was an inadvertence. That's the only tow rate that was not touched. So whatever we're raising, whatever the tow rates are being raised for everything else, it should be raise for that also, and therefore the charges would remain consistent.

In section 20-509, where it deals with the rates, we must insert that this for the towing of not just vehicles but passenger vehicles, because if you don't say it's for passenger vehicles, no one is going to agree that \$185 is going to be the correct rate to tow a tractor trailer. So the rate that should be there, that section always addressed passenger vehicles, and the word passenger should be inserted before vehicles. Additionally in 20-509, for storage rates, they should be per day and not for 24 hours or a fraction thereof. I can tell you, just from knowing the industry for 18 years,

1  
2 when you say for a fraction, that leads to  
3 arguments between consumers and towers--did my car  
4 come in at two minutes to midnight, did I pay for  
5 a fraction, did it come in two minutes after. If  
6 it's there on Tuesday, you pay for Tuesday; if  
7 it's there on Wednesday, pay for Wednesday,  
8 whether it's there for an hour or 23 hours.

9 CHAIRPERSON KOSLOWITZ: You pay for  
10 the whole day.

11 NORMAN TEITLER: Pay for the whole  
12 day. That's what you put in every other section  
13 of this bill. So in order to make it consistent,  
14 it should be per day and not just 24 hours or a  
15 fraction thereof.

16 If the \$185 rate remains without  
17 change, the industry--yes?

18 CHAIRPERSON KOSLOWITZ: Norman,  
19 you're out of time. So, sum up fast.

20 NORMAN TEITLER: The industry would  
21 be willing to forego mileage charges, but only  
22 within the borough in which the tow originated.  
23 If the vehicle is towed from the Bronx to the  
24 Outerbridge crossing. If it's towed out of a  
25 borough, we believe mileage charges should apply.

1

2

If you want to say we're foregoing the mileage charges to get a higher rate within the boroughs, I believe industry would agree with that.

5

In 20-518, again, we must insert not just vehicles, passenger vehicles.

7

CHAIRPERSON KOSLOWITZ: All right. We're going to have to stop. And we'll sit down and discuss the rest of what you have.

10

NORMAN TEITLER: There's just one other section and then I'll end.

12

CHAIRPERSON KOSLOWITZ: Five minutes. We have other panels, we have other people.

15

NORMAN TEITLER: In the ROTOW section, the section where the cars, ROTOW cars are delivered back to the police pound, that has to be increased in a separate bill. I know it affects--

20

CHAIRPERSON KOSLOWITZ:  
[Interposing] We'll discuss it. We'll discuss it after. You're out of time.

23

NORMAN TEITLER: Okay.

24

CHAIRPERSON KOSLOWITZ: Okay.

25

NORMAN TEITLER: Any questions?



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CHAIRPERSON KOSLOWITZ: Council

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Member Barron?

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COUNCIL MEMBER BARRON: You know,

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and all of us have to--whatever our issues are

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with our businesses, we've got to put it in the

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context of this economic climate, because the same

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thing, the challenges you've run down for your

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business, I can tell you what it takes a family of

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four in East New York to survive, a family of four

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who probably has a much lower salary than each one

12

of you sitting up there. A family of four in East

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New York, in Harlem, in Bedford-Stuyvesant, in the

14

South Bronx, and these are families that may have

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vehicles that are being towed. So while

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everything that you're saying may be justified in

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your mind in your context--but I can tell you how

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much it costs us. We're paying the same kind of

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money for our gas as well. We pay taxes too. Our

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families are in foreclosure. Some of our families

21

have lost their jobs and are still trying to hold

22

on to their vehicles and hold on to their homes.

23

So when you come and tell us your story, which I

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definitely support small businesses, because small

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businesses are the greatest employers of the

1  
2 people of America. But I will prioritize the  
3 consumer during this time over the challenges that  
4 businesses have, because families have it worse in  
5 our neighborhoods. So to me, that's the priority.  
6 There is nothing you said that perhaps isn't  
7 correct. And the needs are correct and I  
8 certainly would like to see everybody stay in  
9 business. But don't take it out on us. Don't  
10 take it out on our families. And that's what  
11 they're doing with the budget. They want to  
12 balance the budget; they don't hit the rich, they  
13 hit the poor. They take the Metro Cards away from  
14 the students and they take the--raise the CUNY  
15 tuition for struggling working class families that  
16 make less than \$30,000 a year. The price of food  
17 is going up, the price for gas is going up. Now  
18 towing is going up from \$70, \$80 to \$185. And  
19 that you are getting equal with the police doesn't  
20 help us. I mean I'm not interested in--if we can  
21 get a bargain somewhere and someone else is too  
22 high, I'm not interested in the bargain person  
23 saying, look, I'm going as high as them, so don't  
24 be mad at me, I'm doing the same thing that the  
25 police are doing. That doesn't help our families.

1  
2           So I want you to understand, I'm  
3 not being insensitive to your needs, but don't  
4 take it out on us. And to me, our families cannot  
5 afford any increases in any other area in life,  
6 including towing. And a lot of towing occurs in  
7 our neighborhoods, for whatever reasons. I would  
8 be interested to see that, you know, where are  
9 most of the cars being towed from. But in our  
10 neighborhoods it is just horrific stories on  
11 already what you might think is a low price for  
12 towing. It's already a major, major--I hear  
13 stories coming into my office all the time about  
14 the towing expense. So I still stay the consumers  
15 cannot bear the burden. We have to look at other  
16 means, find some other subsidies from government  
17 or something. There has to be another way than  
18 every time an industry has a problem are taking it  
19 out on consumers.

20           CHAIRPERSON KOSLOWITZ: And thank  
21 all of you. Thank you. Next panel, John Corlett.  
22 Is this the only one? And John Africana from AAA.

23           [Pause]

24           CHAIRPERSON KOSLOWITZ: Please  
25 begin.

1  
2 JOHN CORLETT: Good morning, Madam  
3 Chair and Council Members. My name is John  
4 Corlett. I'm the Director of Government Affairs  
5 for AAA New York. We have 1.5 million members in  
6 the New York City area. Beside me is John  
7 Africano, he's our Director of Roadside  
8 Assistance.

9 Our organization opposes the  
10 proposed increases in nonconsensual towing rates  
11 as proposed in Intro 201, because we believe that  
12 the increases are both unfair and unjustified,  
13 being far in excess of both regulated rates in  
14 neighboring jurisdictions and prevailing on street  
15 towing rates in the City of New York, and also out  
16 of proportion to any cost increases providers may  
17 have experienced.

18 Simply put, AAA New York does not  
19 believe that a rate increase of 165% to \$185 for  
20 the first mile, particularly on arterial highways  
21 where consumers are held hostage, is justified.  
22 Firstly, it is important to note that the  
23 prevailing non-regulated consensual towing rates  
24 on City streets are much lower, in the range of  
25 \$75 to \$90 for the first mile. Secondly, the \$185

1  
2 first mile rate is far higher than the rate  
3 charged by surrounding municipalities. For  
4 example, the town of Hempstead charges a first  
5 mile rate of \$95, plus \$5 for each additional  
6 mile. North Hempstead, as we heard earlier,  
7 charges a first mile rate of \$125, with \$5 for  
8 each additional mile. And the town of Oyster Bay  
9 has a first mile rate of \$95. The New York State  
10 Thruway, their authorized contractors have a  
11 hookup rate of \$60 plus \$4.50 per mile, and on the  
12 arterial highways on Long Island, from what I was  
13 told this morning, the rate is \$70.

14 On city arterials where lesser  
15 distances are travelled by franchise stations and  
16 where substantial volumes of traffic generate  
17 greater volumes of service calls, our market  
18 rationale would dictate fees far lower than those  
19 proposed in intro 201-A. Moreover the timing of  
20 these increases could not have come at a worse  
21 time for consumers. Consumers are retaining their  
22 vehicles for longer periods of time, potentially  
23 resulting in more vehicles on the road, with a  
24 greater average age, resulting in additional  
25 breakdowns, tows and repairs. The rates proposed

1  
2 in Intro 201 will now expose those unfortunate  
3 enough to break down to a double hit to a higher  
4 repair costs plus extraordinary fees for the  
5 recovery of their disabled vehicle.

6 We appreciate that adequate rates  
7 are essential to the livelihood of the towing  
8 industry, however, it is important to note that  
9 when the tow law was first enacted, the Council  
10 determined that the purpose of regulating  
11 nonconsensual towing rates was to shield consumers  
12 from exorbitant rates, not participate in setting  
13 them. In short, we believe a 165% increase to  
14 \$185 is excessive and contrary to the City's  
15 consumer protection mission. Now I'll ask Mr.  
16 Africano if he has--for his comments.

17 JOHN AFRICANO: This work? Okay.  
18 Just a few things. John Africano, Director of  
19 Automotive Services for AAA. My primary  
20 responsibility with AAA is to work directly with  
21 tow companies. So typically I'm sort of on the  
22 side of tow companies, their challenges, their  
23 initiatives, all that stuff. There's a couple  
24 points here I think have to be made. We have to  
25 understand, we're not talking about towing rates,

1  
2 we're talking about specific, very specific towing  
3 rates, program rates, rates where consumers have  
4 no opportunities to bargain shop or to price shop.

5           So, tow companies can raise their  
6 on street tow rates to whatever they feel is  
7 necessary, the consensual rates. This is not a  
8 rate for the towing industry. The towing industry  
9 doesn't have a rate. This is a rate for specific  
10 programs that our tow companies, many of which are  
11 in the room here, have made a conscious decision  
12 to participate in. All right? We have a  
13 situation where we have exclusive rights accounts,  
14 guaranteed volume for specific sections of roadway  
15 or specific zones, for whether it's accident  
16 removal or disableds on the highways. And  
17 typically in business, when you secure exclusive  
18 rights accounts, you give something back. And  
19 what you give back typically is a discount to the  
20 customer. All right?

21           So in effect right now, on street  
22 commercial tow rates in the City, whereas not  
23 regulated, typically run between \$75 and \$95 on  
24 the hook. So, if I call a tow company A, and I  
25 call and they say \$95, and then I call tow company

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B and they say \$85, I have the right to choose.

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In this particular situation, once again for the

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same types of services, we're telling consumers

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that they have to pay \$185 on the highway, just

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because they're on the highway. It doesn't seem

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right.

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And I think you have to remember

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too with these exclusive rights accounts, there's

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other business opportunities built into the

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programs. It's not just the towing feels,

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opportunities for repairs, opportunities for

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collision, opportunities for mechanical repairs.

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There are so many other opportunities. The

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program is a package; it's not just a tow fee.

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All right? And all the business owners, and I've

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worked with a lot of the gentlemen in the room

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here, all these business owners understand that.

19

And while I do understand all the increases in

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cost and expenses--and I'm very sensitive to it.

21

Like I said, I'm sort of part of the industry in

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that respect--we run tow company in AAA New York,

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we have our own tow trucks. So, understood. But

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if the rate we're looking to charge, where there's

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absolutely no opportunity to comparison shop is



1  
2 two to three time the rate that I would get if I  
3 was on the street, it just doesn't seem right.

4 And lastly, and I think this is  
5 sort of interesting, the arterials specifically,  
6 there's only four, or five, or six, or eight, or  
7 nine or whatever companies out of the 600 plus in  
8 the city that handle arterial work. And I think  
9 it's interesting how, every three years, I  
10 believe, is the cycle, when these contracts come  
11 up for renewal, everybody who is in them wants  
12 them back. And other companies who want in do  
13 their best to get in. And invariably, if somebody  
14 loses, it winds up in court. So there's a value  
15 here and there's a value well beyond, I think, the  
16 actual rate for the tow. And that's something  
17 that sort of gets lost when we're talking about  
18 the financial viability of tow companies in these  
19 specific programs.

20 All right. That's... thank you.

21 CHAIRPERSON KOSLOWITZ: Thank you.

22 COUNCIL MEMBER BARRON: Just a  
23 point of clarification. So basically this bill is  
24 dealing with DARP and ROWTOW and all of those  
25 companies that want to participate in that.

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JOHN AFRICANO: Programs, all

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programs.

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COUNCIL MEMBER BARRON: All

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programs.

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JOHN AFRICANO: Yes.

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COUNCIL MEMBER BARRON: And so

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anything outside of that, they still, they're not

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governed by any rate. They're still--

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JOHN AFRICANO: [Interposing] You

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set your rates where you think they need to be.

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You can change, you can increase your shop repair

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rate, your collision repair rate, your paint labor

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rate.

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COUNCIL MEMBER BARRON: Right.

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JOHN AFRICANO: The reason is, you

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can't increase them astronomically because you'll

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price yourself out of the market. What we're

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talking about here is we're allowing pricing out

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of the market because nobody has a choice, and

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there's a fundamental problem with that.

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COUNCIL MEMBER BARRON: And your

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belief is that even with the increase, that it has

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to run a business, that this is still very

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exorbitant in terms of 165%?

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2 JOHN AFRICANO: Without a doubt.

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COUNCIL MEMBER BARRON: All right.

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CHAIRPERSON KOSLOWITZ: Okay, thank  
you very much. Oh. Council Member Reyna.

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COUNCIL MEMBER REYNA: Just to take  
into account your testimony, if I were to ask what  
would be the comparable tow rate for un-consensual  
cases, what would you suggest?

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JOHN AFRICANO: I don't know that I  
have a number in my mind right now. But I would  
say it certainly wouldn't exceed what the retail  
rate on the street would be. Correct?

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COUNCIL MEMBER REYNA: Well, the  
retail rate on the street can depend on whether or  
not you're being towed by the Police Department,  
the Sheriff, the Marshall, which is \$185, plus the  
ticket, plus everything else as far as storage is  
concerned. Or are you referring to--yes, bless  
you, Karen, thank you. Are you referring to the  
consensual towing, which is not the going rate in  
a market that has different categories?

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JOHN AFRICANO: No, I think that's  
actually mistaken. I think the consensual rate is  
the going rate. What we're talking about, what

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2 you just mentioned are all--

3 COUNCIL MEMBER REYNA:

4 [Interposing] So just wait one second. The  
5 consensual towing rate is \$75 to \$90, right?6 JOHN AFRICANO: There is actually  
7 no consensual towing rate. The market bears right  
8 now, based on our research, \$75 to \$95 for hook.9 COUNCIL MEMBER REYNA: And what is  
10 the consensual towing currently, not what the  
11 market will bear, but what the...?12 JOHN AFRICANO: There is no--the  
13 rate is upon consent. The consumer and the tow  
14 company--15 COUNCIL MEMBER REYNA:  
16 [Interposing] What about the nonconsensual?17 JOHN AFRICANO: The nonconsensual  
18 is the stuff we're talking about right now. There  
19 is--

20 [Crosstalk]

21 JOHN AFRICANO: Right, and  
22 depending upon what you're talking about. Right  
23 now--24 COUNCIL MEMBER REYNA:  
25 [Interposing] If you could just have--when I speak

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don't speak.

JOHN AFRICANO: Well, you asked a question. Sorry.

COUNCIL MEMBER REYNA: When you speak, I won't speak. Okay?

JOHN AFRICANO: Got you.

COUNCIL MEMBER REYNA: All right. So \$75 to \$90 for the first mile is what you are claiming is the market rate for consensual towing.

JOHN AFRICANO: Yes.

COUNCIL MEMBER REYNA: And the DARP is at \$70, which is nonconsensual, \$80 for ROWTOW and \$100 for private lots.

JOHN AFRICANO: Okay. I thought DARP was \$80, but...

COUNCIL MEMBER REYNA: DARP is \$80.

JOHN AFRICANO: Yeah.

COUNCIL MEMBER REYNA: So apparently Department of Consumer Affairs doesn't know its own rate, because I was quoting them. Thank you very much.

CHAIRPERSON KOSLOWITZ: DARP is \$80.

JOHN AFRICANO: I believe DARP is

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2 \$80.

3 JOHN CORLETT: Yeah, the arterial  
4 highway is \$70.

5 JOHN AFRICANO: \$70. And private  
6 parking lot is \$100.

7 COUNCIL MEMBER REYNA: Fantastic.  
8 And so, you are referring to a scenario where the  
9 market bears \$70 to \$90. Your testimony then  
10 confirms that it should stay as is.

11 JOHN AFRICANO: Yes.

12 COUNCIL MEMBER REYNA: The DARP,  
13 ROTOW, private lot and arterial tow.

14 JOHN AFRICANO: Yes.

15 COUNCIL MEMBER REYNA: Okay. I  
16 just wanted to understand where your position was,  
17 because it didn't seem to me that you were trying  
18 to claim the rates should stay as it is. It  
19 almost seemed like you believe the towing company  
20 provides a service--if they haven't had a tow rate  
21 in ten years, let's talk about it, but at \$185  
22 it's impossible.

23 JOHN AFRICANO: I think it's been  
24 six years, because I believe it was 2004.

25 COUNCIL MEMBER REYNA: The tow

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rate?

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JOHN AFRICANO: Yeah.

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JOHN CORLETT: The arterial

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highway, right.

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COUNCIL MEMBER REYNA: But that's

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one category. Let's not confuse things. You're

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generalizing, which is not fair.

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JOHN AFRICANO: No, I don't think I

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am. I believe arterial DARP and ROTOW went up in

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'04.

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[Off Mic]

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JOHN AFRICANO: You sure it was

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'02?

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JOHN CORLETT: I think it was 2001,

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actually, yeah.

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[Crosstalk]

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CHAIRPERSON KOSLOWITZ: It was when

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I was here the last time.

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JOHN AFRICANO: Okay, then I am

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mistaken.

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CHAIRPERSON KOSLOWITZ: That was

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the last time.

24

COUNCIL MEMBER REYNA: Thank you.

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I just wanted that clarification.

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2 JOHN AFRICANO: Thank you.

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CHAIRPERSON KOSLOWITZ: Okay. Next panel. Michael Mazzio, Murray Rude, and Ralph Gonzalez.

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[Pause]

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MICHAEL MAZZIO: Is this on? Hi.

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I'm Michael Mazzio from Mike's Heavy Duty Towing.

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I'm also from East New York, where Charles Barron

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is from. He mentions all these other tow

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companies, these numerous people coming out of the

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woodwork to these accident scenes. That's because

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Consumer Affairs do nothing about it.

14

Companies like myself have large

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tow trucks, the proper tow trucks to do the towing

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job. Consumer Affairs is just a monetary value

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who just want to take money, and never do anything

18

about it to make the industry better. The

19

advisory board, I was on the advisory board. It

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met once; it never met again.

21

So Consumer Affairs has no idea

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what industry wants. Every year we go out, we

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license our tow trucks, they come back with a

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different rule. We have to re-change our tow

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trucks. Tow trucks raise, every year it goes up,



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2 \$3,000, \$4,000, \$5,000 to buy trucks. My average  
3 tow truck is \$100,000. I cannot to cars for \$70  
4 no more. Consumer Affairs is putting me out of  
5 business. I run 50 tow trucks, large equipment,  
6 small equipment. I cannot tow cars for \$70 no  
7 more. We are just due the proper rate increase  
8 that we deserve.

9 If we all stop towing--and I think  
10 we should stop towing for one day--the City would  
11 be in a shut down. 9/11 came, my company,  
12 Knight's, Ridge, all the companies that--the  
13 arterial towing companies--cleared up every car  
14 from the tunnel to the bridges--

15 CHAIRPERSON KOSLOWITZ:

16 [Interposing] I just want to say, I don't think  
17 it's a wise idea at this time to ever even  
18 entertain--

19 MICHAEL MAZZIO: [Interposing] No,  
20 we're not doing to shut--

21 CHAIRPERSON KOSLOWITZ:

22 [Interposing] To entertain that idea, because of  
23 everything else that's going on in New York City.  
24 People are being terrorized every day, and I don't  
25 think that you should add to this. It doesn't

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2 help your cause at all.

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MICHAEL MAZZIO: But we do definitely need a tow rate increase. We pay \$100,000--insurance is on the rise, diesel fuel is on the rise. Other towing companies in other states get fuel surcharge, we don't even get that. So if our fuel goes up, we still stay at \$70.

MURRAY RUDE: I haven't talked to the City Council in a lot of years. Last time I opened my mouth, they put a picture of me as Benedict Arnold. I'm here from the Society, the ones who cont the consensual rate put through the federal courts. But I'm here to talk about senior citizens. And the remark that came out, and I thought I heard, that the tow people refusing to take credit cards from senior citizens, especially, you know, they get them all flustered up--these are persons in a pickle. How do you expect a senior citizen to carry that much cash on them and then get turned down and have his car towed, have to get somebody to take him and get his car bailed out?

About the rate, I'll just say one thing. No offense, I promised I'd keep my mouth

1  
2 shut, is when they complain about ten years, my  
3 father spent 51 to 52 at City Hall, and we spent  
4 21 years without a rate increase. And when young  
5 Mike talked about shutting down the city, the tow  
6 industry did it twice, but we didn't have the  
7 terrorist condition you have today. What you said  
8 would be the truth. It would be the craziest  
9 thing this industry can do, because--I wear a  
10 shirt here with an ICC number. That was going to  
11 be my pension, but the federal government  
12 deregulated the trucking industry and there went  
13 my pension.

14 But I'm here for talking mainly for  
15 citizens. I'm not butting in to the price thing,  
16 which I promised I'd keep my mouth shut. That's  
17 amongst the industry and the City Council. But  
18 take into consideration DCA has to give the senior  
19 citizen some help when they're disabled at an  
20 accident, if they have to be towed or, no offense  
21 to him, on the highways. When they have the  
22 credit card--they all take it, but they sometimes,  
23 no offense, I've been told stories that they break  
24 the senior citizens' shoes a little bit. This is  
25 something should be written, that senior citizens

1  
2 should be given some leeway and help when they  
3 have a problem. That's all I have to say.

4 MICHAEL MAZZIO: I just want to add  
5 on to the arterial, that everybody says \$70 is a  
6 sufficient rate, what AAA failed to tell the  
7 committee is that we pay to be up there. We pay  
8 every three months to be on that roadway. Whether  
9 we make money or don't make money, we still pay  
10 the City of New York to have those rights to tow.

11 CHAIRPERSON KOSLOWITZ: Next.

12 RALPH GONZALEZ: Good morning,  
13 distinguished members of the New York City  
14 Council. My name is Ralph Gonzalez of Big City  
15 Auto Body and Towing Service, located in Long  
16 Island City, New York. I sit here before you  
17 today in support of Intro 201-A. It is hard to  
18 believe, but we have been towing and storing  
19 vehicles on DARP and ROWTOW for close to ten years  
20 without a raise to the regulated rate. This is  
21 unheard of in any other regulated industries, such  
22 as for a few examples, the taxicab industry; the  
23 public utilities industry, like ConEdison, which  
24 supplies our electricity and gas; and the  
25 telephone and cable industry, not to mention our

1  
2 water and sewer and property taxes. We  
3 desperately need this long, long awaited raise.

4           Every cost of doing business in New  
5 York City has gone up numerous times in the past  
6 decade in areas such as insurance costs for  
7 liability, workman's compensation, disability  
8 insurance and unemployment insurance. Also, the  
9 cost of trucks and equipment in the past few years  
10 has tremendously gone up.

11           This we need to properly provide  
12 the quality of service to the City and the Police  
13 Department that require--tremendously increased  
14 over the past few years. Also, please don't  
15 forget the cost of fuel, oil and maintenance to  
16 these vehicles and equipment have also  
17 tremendously gone up over the years.

18           ConEdison has on numerous times  
19 raised their rates for electricity and gas, and  
20 the City also has had to raise the water and sewer  
21 rates, along with the property taxes, in order to  
22 balance its books and provide services to its  
23 citizens. Additionally, the cost to either rent  
24 or purchase real estate in the City of New York  
25 has tremendously increased in the last ten years.

1  
2 If this industry is going to survive and provide  
3 these much needed services to both the motoring  
4 public as well as to the City of New York on a 24-  
5 hour, 7 day a week, 365 day a year basis, then we  
6 desperately need this long, long awaited increase  
7 in both towing and the storage rates.

8 Let me also remind you that the  
9 City of New York through its Sheriff and Marshalls  
10 and the Department of Traffic have been towing on  
11 an ongoing and daily basis for at least two years  
12 at the rate of \$185, and prior to that for  
13 numerous years for the rate of \$150. To those of  
14 you who possibly might think that going from  
15 towing from \$80, which is DARP by the way, to \$185  
16 might be a steep increase, I would like to point  
17 out that had we in this industry had gotten  
18 regular increases throughout the years, as in any  
19 other industry, then there would not be such a  
20 wide spread now.

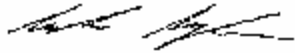
21 Even with this rate increase  
22 adopted and passed as it stands, we will never,  
23 every recoup the lost monies that we lost over the  
24 last decade by not getting regular increases along  
25 the years.

1  
2           In conclusion, I implore you to  
3 please pass this bill as it stands as quickly as  
4 possible, before we lose any more money and maybe  
5 have to go out of business altogether. I thank  
6 you for your time in listening to me today and  
7 wish you all a nice day, and may God look after  
8 you and get you home safe. I remain available  
9 today and always to answer any questions that you  
10 may possibly have on this subject matter. Thank  
11 you for being patient and listening.

12           CHAIRPERSON KOSLOWITZ: Thank you.  
13 There is no other testimony. And like I said  
14 before, we will absolutely be looking in to this  
15 all around. And I'll be working with Council  
16 Member Reyna on this bill. And with that, this  
17 meeting is adjourned.

C E R T I F I C A T E

I, Erika Swyler, 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 5/26/10 \_\_\_\_\_