COUNCIL OF THE CITY OF PHILADELPHIA

PUBLIC HEARING

COMMITTEE ON LEGISLATIVE OVERSIGHT

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Room 696, City Hall
Philadelphia, Pennsylvania
Thursday, March 27, 2003
1:20 p.m.

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BILL 020525 - Resolution authorizing City Council's Committee on Legislative Oversight to hold public hearings on the City's "Live Stop" program and to investigate its impact on high automobile insurance premiums in the City.

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PRESENT:

COUNCILMAN JAMES KENNEY, Chair
COUNCILWOMAN JOAN KRAJEWSKI,
COUNCILMAN FRANK DICICCO
COUNCILMAN FRANK RIZZO

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I N D E X

COUNCILWOMAN KRAJEWSKI: Good afternoon. The Committee on Legislative Oversight is now in Session.

Will the Clerk please read the title of the Bill?

THE CLERK: Resolution No. 020525, a Resolution authorizing City Council's Committee on Legislative Oversight to hold public hearings on the City's "Live Stop" program and to investigate its impact on high automobile insurance premiums in the City.

COUNCILWOMAN KRAJEWSKI: Thank you very much.

I believe for our first witness we have is President Judge Kelly from the Philadelphia Traffic Court.

Judge.

JUDGE KELLY: Good afternoon, Councilwoman. I actually thought I was going to be second, to be honest with you.

COUNCILMAN DICICCO: If you want to wait, you can wait. You're the judge.

I just wanted to have a brief opening statement. I want to thank everyone for coming here today. There will be other members of this Committee, I'm told, that will be here shortly.

The purpose of this hearing is to gather information for the record in preparation of a hearing that we will hold on April 9th with the insurance industry folks to talk about the high cost of automobile insurance rates in the City of Philadelphia.

Having been the former court administrator for the Philadelphia Traffic Court, spending the better part of 16 of my adult years there, I fully came to realize one of the major causes for high insurance rates in the City of Philadelphia is the fact that we had so many people who were driving through our streets on a daily basis who are either uninsured and/or unlicensed.

The Live Stop program has been a success, so that's really what we're asking you here today to talk about the success of it so we can gather some information and have some statistics that will help us when we conduct the hearing on the 9th of April with the insurance industry to see what, if anything, we can do about addressing the issue of high automobile insurance rates in the City of Philadelphia.

So I want to personally thank all of you for taking time out of your busy schedule to be here with us today. I don't expect this to be a long hearing, but again it is more of a gathering of information for the record in preparation for the April 9th hearing. Thank you.

Thank you, Judge.

JUDGE KELLY: Thank you. Let me thank you for even being invited here today. I appreciate the opportunity to provide any information that the court can help in your investigative procedures.

I'll leave the facts and some of the statistics to the other speakers that have been invited here day. I know the Parking Authority, I think, is going to speak after me. They have a lot of statistics about the amounts of vehicles. I'm not really sure what their testimony will be, but I know they're going to be able to provide more stats, I think, than I really am prepared to do today.

The reason I've agreed to come today is just to really explain how successful, I believe through the hard work of the people at Traffic Court, how successful the Live Stop program has been. We've processed tens of thousands of more violations than we ever have in the history of the court. Traffic Court realized revenue just in the lot, what we refer to as the Boot and Tow program the court realizes some of $720,000 from citations that were issued during the Live Stop program. My understanding is that more than 6,000 violators have had their driver's license restored as a result of them coming to the court, responding to the citations and taking the appropriate measures to get their driver's licenses restored.

The one thing that I think should be understood is that every vehicle, after it's impounded, every vehicle that is released to the owner before it leaves the Parking Authority lot, has to be registered and insured. And I understand that the direction of this hearing is to really deal with the insurance issue. We know that every vehicle that leaves, after being impounded by us, by the court, before it enters the streets of Philadelphia again, it has to be registered and insured. I don't have statistics, but I would believe that that's a step in the right direction.

COUNCILWOMAN KRAJEWSKI: Thank you,

Judge.

Councilman DiCicco.

COUNCILMAN DICICCO: Thank you, Madam Chair.

Thank you, again, Judge.

You may not have it with you today, and if you can, when you get back to the court over the next week or so, if you can supply the information to the Chair, I'd appreciate it.

I remember, again when I was court administrator we were running stats on individuals who had outstanding moving violations. We were able to categorize by the number of tickets that an individual had incurred, notwithstanding some of the issues where they would basically use different information and change the name around a little bit, give a different address, et cetera, but there was a time, if I recall correctly, that there were about 5,000 -- maybe 500 to 1000 individuals who had accumulated well over, I think, 100 or 200 tickets per person. And it kind of broke it down, the number of individuals who had 50 outstanding violations, the number individuals who had 10 or more, et cetera. If you could get some of that information, and maybe the Police Department has it. I can't remember who I dealt with at the time. That could be helpful, as well, because I want to see the comparison of those folks who have the multiple violations which drove up the open violations that were still pending and how, I think, the insurance company would look at those open violations and suggest that you have 200,000 cases that are still pending. You have all these people out there driving recklessly. That is one of the reasons when you look at your policy you see that line item that says, uninsured motorists, because all of these thousands and tens of thousands of people are uninsured as a result of accumulating significant number of tickets. If you can supply us with that, that might be helpful for our next hearing.

JUDGE KELLY: I don't think that will be a problem at all providing that. In the follow-up to that, I think -- and I probably should have said this in the beginning -- the Live Stop program has been a very, very effective tool in having people to respond to the citations. We have people now that come to the court because they want to try and recover the vehicle that's been impounded.

COUNCILMAN DICICCO: So not only do we clear up the calendar and the backlog of issued tickets, but we're also providing opportunities for people to now become licensed drivers and ultimately, obviously, become insured. So we have more insured drivers, licensed, insured drivers in the City of Philadelphia today than we had prior to the Live Stop program.

JUDGE KELLY: I've got to believe that. I've got to believe that.

COUNCILMAN DICICCO: Thank you.

COUNCILWOMAN KRAJEWSKI: Thank you, Judge.

JUDGE KELLY: Thank you.

COUNCILWOMAN KRAJEWSKI: I believe next is Chief Inspector Bullick, Philadelphia Police Department.

MR. BULLICK: Good afternoon. You do have a copy of my statement, I believe? You want me to read it again?

COUNCILWOMAN KRAJEWSKI: Yes, please.

MR. BULLICK: Good afternoon, Council. I'm here to talk about the Live Stop program for the Police Department. I'm Richard Bullick, Chief

Inspector of the Special Operations Bureau. I'm in charge of overseeing the Live Stop program for the Police Commissioner.

As you know, it started as a pilot program in July of '98 and it was just in the 3rd, 4th and 6th Districts at the time and also on our expressways, including Woodhaven Road and the Roosevelt extensions. On July 1 of '02, it went citywide. The program has proven to be a success in the removal of unlicensed drivers as well as unregistered vehicles from the streets of Philadelphia, and also force an untold number of drivers and vehicle owners to proactively comply with the rules of the Pennsylvania Vehicle Code. And they're getting their licenses now and insuring their cars.

During the pilot program, which is July 29, '98 through June 30, '02, we removed 17,671 vehicles from the streets of Philadelphia. When we went Citywide beginning July 1st of '02, and from there to December 31st of '02 we removed another 17,557. Also, for the first three months of '03, which is January through March 20th, we removed an additional 5,686 vehicles from the streets.

It's been a great success. And this is a testament that people are complying with the rules now and it's going along real well. The Parking Authority is doing a hell of a job picking up the cars in timely manner. It's worked very well.

Are there any questions?

COUNCILMAN KENNEY: Thank you. I'm sorry. I apologize for being late. I just got stuck in traffic. Thank you for your testimony and for your coming.

Is there a redemption rate that you have been able calculate?

MR. BULLICK: That's more of a Parking Authority question. But I believe it's like 50 percent now.

COUNCILMAN KENNEY: And of that redemption rate, how many recidivists do we get again? Do you have an idea? Like, do they come back to redeem their car and then wind up in the same situation again?

MR. BULLICK: In order to leave the lot, they have to register, plus get insurance before they can redeem their car.

COUNCILMAN KENNEY: Councilman DiCicco.

COUNCILMAN DICICCO: A follow-up on that same line of questioning. But there are those who may not come to recover the car because the car may not actually be worth as much as the violations are. I think maybe what the Councilman might be suggesting is, are we finding -- the car aside -- are we finding recidivism with violators?

MR. BULLICK: I think you're more apt to find it that way, than vehicle again. As they say -- and, again, you might want to wait for their testimony. 50 percent of them are being redeemed. So there's 50 percent that aren't.

COUNCILMAN DICICCO: More people that are becoming insured as a result of that.

MR. BULLICK: So they auction them off, what goes with that.

COUNCILMAN KENNEY: And they'll have all the details on auction issues? Your testimony is operational.

MR. BULLICK: I'm just a cop.

COUNCILMAN KENNEY: That's not a bad thing to be. You are just operational issues on the street. I don't know if the question was asked before I came; what's the time situation relative to first stop, call?

MR. BULLICK: We're averaging at 18 minutes.

COUNCILMAN KENNEY: On the hook?

MR. BULLICK: For the car stop until it gets on the hook, yes. And a lot of times that's how long it takes an officer to write a couple tickets and have the car stopped anyway.

COUNCILMAN KENNEY: And the other issue was, have there been any complaints about people that have been stranded or any children's issues or elderly issues?

MR. BULLICK: We make sure -- other than to get to the police station or transportation home. And if it's close and they have kids or something --

COUNCILMAN KENNEY: Have there been any arrests made as a result of confrontation?

MR. BULLICK: I'm sure there were a few, but not many.

COUNCILMAN KENNEY: But not many. Okay.

Councilman Rizzo.

COUNCILMAN RIZZO: Chief, good afternoon.

Chief, in reference to the process, has

technology helped to avoid counterfeiting of insurance cards or other documents that are presented to an officer? In other words, are counterfeit documents a problem or does the computer or the actual check with --

MR. BULLICK: Before we take a vehicle, we check with the computer, with NCIC. We won't take a vehicle -- if the computer is out of service for any reason, we wouldn't take the vehicle. Once we run it and it comes up that it's bad, if you do good license or something, then it would be counterfeit.

COUNCILMAN RIZZO: So you get stopped. You present a valid driver's license. You present an insurance card and owners card, but the computer says something different.

MR. BULLICK: Right. If the computer would spit out something, that it's not registered or whatever, you'd get the tickets -- you'd been arrested if we know it's counterfeit.

COUNCILMAN RIZZO: So in other words, if a person presents documents that are contrary to what the computer says, they would be subject not just to lose their car, they could be arrested on the scene?

MR. BULLICK: Well, they would get tickets for it and then they would go to traffic court. They wouldn't just be arrested, no.

COUNCILMAN RIZZO: They would not be?

MR. BULLICK: I don't think so. A counterfeit document, they could be -- I'm not sure if they would, though. They would get tickets. And as far as insurance, we don't take the car for bad insurance. It would only be for having an expired driver's license or a suspended driver's license, expired registration.

COUNCILMAN RIZZO: That bothers me a bit that that's one of the things that isn't included in the process. So you stop a car. A person has a good driver's license, has an owner's card, the car is registered, but has no insurance, what do you? Give them a ticket?

MR. BULLICK: You would get a ticket for not having insurance. Once you're insurance is canceled, let's say on June 30th, if I stopped you on July 2nd, I know it's canceled. I know you don't have it. But if I go and apply the 3rd of July, it may take 30 to 45 days for your name and numbers to get back in the computer. So in the meantime, you actually do have insurance. Rather than inconvenience somebody that does have insurance, we don't take it for that reason.

COUNCILMAN KENNEY: As a matter of fact, I think it was specifically taken out of the state legislation because of the inability of the police to access in a timely way insurance information.

MR. BULLICK: Exactly.

COUNCILMAN KENNEY: And it was likely that if a person was unlicensed or unregistered, they were also uninsured.

MR. BULLOCK: But we found exactly what you're saying. If you get somebody who doesn't have a driver's license or doesn't have registration, believe me, he doesn't have insurance.

COUNCILMAN KENNEY: Councilman DiCicco.

COUNCILMAN DICICCO: Point of information on that. Basically it was the insurance industry who was not willing to -- at least at the time that I was at Traffic Court -- they were not willing to share that information with the Philadelphia Police Department because they said of confidentiality, which I don't particularly agree

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with. These guys are out there stopping people for a violation, they do the check, they get the license and the registration. And anybody could say", I left my insurance card home." There should be a way, with all the technology -- I'm sure there is a way with all the technology we have, but it's not the Philadelphia Police Department's fault. It's the fact that the insurance industry is refusing to provide for that information so they can access that as another means of why they should either take the car or --

MR. BULLOCK: Apparently, they're not sharing it with the State.

COUNCILMAN DICICCO: If I'm not mistaken, Chief, all you are able to do is write a ticket for failure to carry. Could you write a ticket for not having insurance? You don't really know?

MR. BULLICK: I'm not even sure.

COUNCILMAN DICICCO: The person is saying, "I have it, but I left my card at home."

COUNCILMAN RIZZO: The law is you have to have it with you.

COUNCILMAN KENNEY: Right. You can go

to Traffic Court with the correct information and prove that it was there. But I think when the decision was made, Majority Leader Prizell (ph) had correct concerns that if we got off the ground with making mistakes by towing people's cars or impounding people's cars who had insurance but we couldn't prove it one way or the other, that we were going to get off on the wrong foot. It was safer to err on the side of safety.

Anyone else?

(No response.)

COUNCILMAN KENNEY: Thank you very much.

MR. BULLICK: Thank you.

COUNCILMAN KENNEY: Mr. Dickson and Mr. Fenerty, I believe, are both coming together.

Good afternoon, gentlemen.

MR. DICKSON: Good afternoon, Mr. Chairman and Members of the Committee. My name is Richard Dickson. I'm the Director of On-street Parking for the Philadelphia Parking Authority.

With me is Vincent Fenerty, who is the Special Assistant to the Chairman and Director of Enforcement. He was largely responsible for the implementation phase of this program.

Also here is Frank Ragozzino, who is the manager of Towing and Impoundment and oversees the day-to-day operation of the program.

I'd like to thank Councilman DiCicco for inviting us to participate in this. He has been very instrumental in supporting both the pilot program and its expansion. We're happy to be here to report on the success that we believe we've had.

In July of 1988, as part of an effort to improve traffic safety, the Philadelphia Parking Authority, together with the Police Department and Traffic Court, implemented a Live Stop pilot program to impound vehicles which were found to be unregistered or the driver unlicensed. Through that pilot program, nearly 18,000 vehicles were impounded.

We believe that for the reduction of illegal and unsafe vehicles and drivers, we will be able to recognize a significant reduction in insurance rates in the City. It's often been cited that insurance rates in the City are high due to a large number of unsafe vehicles and unlicensed drivers on the roads, as well as a disproportionate number of uninsured motorists. The Live Stop program is designed to address these issues.

Vehicle registrations are often suspended or not renewed because the owners lack insurance. Through this program, vehicles are impounded when they are found to be in violation and are not released to the owner until it is proven that they are properly registered and insured and that the driver is properly licensed and all outstanding tickets have been paid.

Last year the City requested that we expand the program to operate citywide 24 hours a day, 7 days a week. In preparation for that expansion, additional tow operators were hired, tow trucks purchased. We added six impoundment lots. The new lots were staffed and secured. A bar code inventory system was developed and structures put in place to ensure the integrity of the process. The citywide effort began July 1st, 2002, and has resulted in the seizure of 23,243 vehicles.

Authority tow operators respond to requests from the police after a traffic stop is determined that the vehicle is not properly registered or the driver is unlicensed. Our response time has consistently been below the

20-minute threshold established at the start of the program.

Additionally, motorists whose vehicles have been towed are given a clear understanding of the requirements and fees necessary to secure the release of the vehicle. There are no hidden charges, no mileage fees or unexpected expenses often associated with private tow operations. From an operational point of view, the program has operated efficiently and with few problems.

While it's easy to talk about the efficiency of the program, the real test is how effective it has been in removing unsafe vehicles and drivers from our streets.

Of the 22,000 vehicles impounded since last July, over 11,259 have been returned to their owners after they have demonstrated to the satisfaction of the Traffic Court that all outstanding moving violation tickets were resolved, the driver is properly licensed, the vehicle is properly registered and insured. Had it not been for Live Stop, many, if not most of those vehicles, would have been continued to operate in violation of the law, causing accidents, jeopardizing lives and increasing insurance rates for all of us.

Of the nearly 13,000 vehicles which were not claimed and were sold at public auction, two-thirds were sold to salvers, meaning they can never be registered and operated on our streets. These were vehicles which were generally not safe to operate, many of which would not pass state inspection standards. By just removing those vehicles from the roadway, we have taken steps to improve safety, reduce accidents, and thereby save lives. Those are the concrete numbers associated with Live Stop seizures.

There is also the increase in compliance with the law resulting from the threat of losing a vehicle. It was reported that in the period before implementation of citywide expansion, 40,000 people went to Traffic Court to resolve outstanding issues, many of which involved suspended registrations or licenses. The level of compliance can also be seen in the reduction in the number of impounds since the start of the program.

During the first weeks of the expanded operation, the Parking Authority impounded an average of 133 vehicles a day. To date, during the month of March, the daily average is 78. We do not believe that this is due to a lack of enforcement on the part of the Police Department, but it is due to the increased level of compliance on part of the public.

Citywide Live Stop has not only removed unsafe vehicles from our streets, it also reinforces the fact that motorists cannot ignore tickets with impunity. The Traffic Court has collected over $25 million in unpaid fines. The Parking Authority has collected nearly $4.1 million as of the end of February, as a result of Live Stop seizures. While the goal of the program was not to collect money, it sends an important message to motorists, that you cannot ignore traffic and parking laws without consequences. This also increases compliance with the law and increases traffic safety.

Vehicles are only subject to Live Stop seizure if a police officer sees a motorist in violation of some provision of the Motor Vehicle Code. That limits the number of contacts the police may have with vehicles which may be in violation. In order to further support the City's efforts to remove unsafe or unregistered vehicles from the street, City Council recently enacted, and the Mayor signed, an Ordinance which sets a $100 parking fine for vehicles parked on the streets without a valid registration or inspection sticker. The Authority began issuing warning notices on that violation Monday, March 24th, and will begin ticketing April 1st. We believe this will create an additional incentive to get vehicles properly registered, inspected and insured. This will also encourage the owners of vehicles which are not save and, therefore, cannot be inspected to get them off the streets. While these vehicles will not be impounded, the cost of paying a $100 ticket a day will help ensure that the owners bring them into compliance or sell them.

The number of abandoned vehicles found on the street has also significantly decreased because of this program. Because prior to this program, many vehicles were left on the street until they become inoperable. Our efforts have taken those vehicles off the road before it gets to that point. The further incentive of ticketing parked vehicles in violation will further reduce the number of abandoned vehicles and, therefore, improve the quality of life for the people who live in our neighborhoods.

The Philadelphia Parking Authority has been pleased to assist the City in this effort. We believe that together we have made significant progress in reducing the number of unsafe drivers on our streets. We're committed to the continued consistent enforcement of these laws in order to present a credible deterrent to future violations.

COUNCILMAN KENNEY: Thank you very much for your testimony.

I'd just like to say that since everyone has testified already, that I just want to thank and commend Judge Kelly and Chief Inspector Bullick, all the employees of Traffic Court, all of the Police Department employees, along with the three of you guys and all the employees of the Parking Authority. This has been kind of a seamless effort with inter-agency cooperation that makes money for the City and gets fines paid, outstanding fines paid, and has really put a dent in this unlicensed, uninsured, and unregistered motorists. All are to be commended because it's been a great example of inter-agency cooperation. And I thank you personally.

Councilman DiCicco.

COUNCILMAN DICICCO: Thank you, Mr. Chairman.

I think, Mr. Dickson, your testimony is so thorough that I really don't have anymore questions because some of the questions that I would have asked were about the average daily impoundments, which is almost cut in half, which leads me to believe that there are that many more legally licensed drivers in the City of Philadelphia. Or that there are many less people that just don't run the risk of driving uninsured and unlicensed which, again, is part of the foundation for our hearings that we will be holding on April 9th. And so I really don't have any questions.

Again, I want to thank all of the participants. I new it would be a quick meeting, as I said, but it really is important for us going forward when we address the outrageous cost of the automobile insurance in the City of Philadelphia today. I want to thank you for all of your efforts.

COUNCILMAN KENNEY: It was important

that we have this information on the record as we move forward in this statewide and City-related issue of auto insurance rates. I want to thank you all for coming, for taking time out of your day. We appreciate it. Thank you.

This Committee will stand in recess.

(Council adjourned at 2:45 p.m.)

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C E R T I F I C A T I O N

I HEREBY CERTIFY that the foregoing proceedings of the Council of the City of Philadelphia of March, 27, 2003, were reported fully and accurately by me, and that this is a correct transcript of the same.

RE: COMMITTEE ON LEGISLATIVE OVERSIGHT

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Lisa C. Bradley, RPR
and Notary Public