

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON TRANSPORTATION

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September 25, 2017

Start: 1:23 p.m.

Recess: 4:22 p.m.

HELD AT: Council Chambers - City Hall

B E F O R E: YDANIS A. RODRIGUEZ
Chairperson

COUNCIL MEMBERS: Daniel R. Garodnick
James Vacca
Margaret S. Chin
Stephen T. Levin
Deborah L. Rose
James G. Van Bramer
David G. Greenfield
Costa G. Constantinides
Carlos Menchaca
I. Daneek Miller
Antonio Reynoso
Donovan J. Richards

A P P E A R A N C E S (CONTINUED)

Meera Joshi, Commissioner and Chair
NYC Taxi and Limousine Commission

Midori Valdivia, Deputy Commission
Finance and Operations
NYC Taxi and Limousine Commission

Carolyn Protz, Medallion Owner

Sergio Cabrera, Medallion Owner

Marcelino (Nino) Cervius, Medallion Owner

Gloria Guerra, Medallion Owner

Ethan Gerber, Attorney
Abrams & Fensterman

Peter Mazer, General Counsel
Metropolitan Taxicab Board of Trade

David Pollack, President
Taxicab Service Association, TSA

Cassandra Perez, Fulton St. John's
Committee for Taxi Safety

Arthur Goldstein, Attorney
Davidoff, Hutcher and Citron
Representing the Taxicab Service Association

Lucius Riccio, Former Commissioner
NYC Department of Transportation
MTA Board Member
Professor at Columbia University

Nicole Epstein, NYETA,
New Yorkers for Equal Transportation Access

Edith Prentiss, Chair
Taxis for All Campaign

Nicolai Hent, Cab Driver

Richard Lipsky, Lobbyist

Michael Simon, Medallion Owner

Bernardo Jason Moreno, Medallion Owner

Seth Anderson, Medallion Owner
Member, TMOA, Taxi Medallion Owner Association

2 [sound check, pause] [background
3 comments, pause]

4 CHAIRPERSON RODRIGUEZ: Good afternoon
5 everyone. We are here because we need to save the
6 Yellow Taxi industry as also we need to level the
7 playing field in New York City so that everyone is
8 able to take advantage of the opportunity that our
9 city provides by playing by the same rules and
10 regulation. Welcome to today's hearing of the City
11 Council Transportation Committee. I'm Ydanis
12 Rodriguez, the chair of the committee. First, let me
13 recognize my colleagues who are here today, Council
14 Member Garodnick, Richards, Reynoso, Grodenchik and
15 Vacca. Today's hearing focus on the issue of vital
16 importance not only to the Transportation in our
17 city, but to its very identity and character. As I
18 said, when I—when we last held a hearing on these
19 issues in February. The Yellow Taxis are the icon of
20 New York City. The Yellow Taxis have been synonymous
21 with New York for decades serving a vital role in our
22 city's transportation system for those who live, work
23 and visit here. It is also no secret that today the
24 industry is facing unprecedented difficulties. Fares
25 and ridership are down considerably. Daily fare box

2 and revenue for Yellow Taxis were 10% lower in the
3 December 2016 than in prior year in--the prior year
4 and 25% lower compared to December 2012. Total
5 Yellow Taxi trips per day in April 2017 were down
6 15.8% compared to Aril 2016 and down 33.7% compared
7 to April 2010, and early this month 46 foreclosed
8 medallions were bought by a hedge fund for just
9 \$186,000 each, well below the price that many current
10 medallion owners paid for the medallions, yet another
11 troubling sign for the industry. In recent years,
12 major credit unions who have-- historically served
13 the industry have faced mounting red ink and being
14 take over by the state authorities. Many taxis now
15 sit idly even as the busiest times of the day instead
16 of being out on the road serving passengers, and many
17 individual medallion owners are facing foreclosure
18 and bankruptcy or pending (sic) their personal lives
19 and destroying their savings and hurting their
20 families. These are small business owners, many of
21 them immigrants who invested in a medallion and hope
22 to achieving their slice of the American dream. It
23 has long been my position that there can be a place
24 for everyone in our taxi and for-hire vehicle
25 industry. New York is a city of opportunity and

2 innovation. We welcome those who want to come here
3 and offer New Yorkers new options for transportation
4 and for making a living, but this does not have to
5 come at the expense of those who have invested their
6 savings in the taxi industry looking to find
7 themselves (sic) in New York while serving all of us
8 by moving us around our great city. That's why I'm
9 proud to have worked closely with the TLC to
10 streamline the medallion system and lessen some of
11 the administrate-administrative burdens of both
12 owning, and driving in the Yellow Taxi industry. In
13 April 2016, the Council passed legislation, which I
14 was proud to have introduced that ended the
15 distinction between for-hire vehicles licenses for
16 drivers, creating one universal driver's license for
17 both of the sectors. Now, drivers can move-can more
18 easily move between sectors based on their own
19 individual needs and preferences, and owners now have
20 a much bigger pool of drivers to recruit that from.
21 This past March, we passed two additional bills that
22 I introduced, which eliminated the distinction
23 between individuals and mini-fleet medallions in
24 addition to losing requirements related to medallion
25 ownership, and lowering the medallion transfer tax.

2 Now, medallion owners can move easily buy and sell
3 and the medallions free from some of the most limited
4 restrictions they have previously faced. The TLC has
5 also take its own action including a eliminating the
6 owner must driver rules standing vehicle retirement
7 schedules, and instituting a pilot program that
8 allows drivers to pay a percentage of their earnings
9 during a shift to lease a taxi instead of having to
10 pay a flat fee up on fronts. Despite all of—all of
11 this, it is clear that the industry should still
12 tracing and pressure on the challenges. That's why I
13 have introduced Intro 963, which will create a task
14 force to study the issue and recommend further
15 changes the city can make to stabilize the industry,
16 and increase medallion values. When it comes to the
17 taxi and fore hire vehicle industry, our role is
18 protect the rights and safety of the passengers and
19 drivers and to ensure that the public is being served
20 in the best way possible. It is certainty—certainly
21 not our job to stand in the way of investment and
22 opportunity as long as any action we take does not
23 imperil those important objectives. I would like to
24 welcome Chair Meera Joshi, and the other
25 representatives of the TLC who are here with us

2 today. Thank you for being here, and I look
3 forward to hearing from you about how TLC has
4 approached this important issue and to discuss what
5 more we--can be done. We will pause to--since we have
6 quorum to take a vote on another issue. Then we will
7 get back into the TLC. [background comments] So,
8 we've been joined by Council Member Rose, Chin, and
9 Constantinides. Now, that we have quorum, we'll be
10 addressing the bill that we'll be voting. Today,
11 we'll be voting on two important pieces of
12 legislation, Intro 1031-31-1031-A introduced by
13 Council Member Levine and myself, which DOT to
14 conduct a study of traffic congestions due to truck
15 deliveries in the most congested parts of Manhattan
16 and Brooklyn, and to implement any recommendation--
17 recommend--any recommended additional measures to
18 alleviate that congestion. It is clear that in the
19 area on the Amazon and other rapidly growing e-
20 commerce businesses truck deliveries are growing
21 contributors to traffic congestions and pollution on
22 our streets while certain among--among our commercial
23 traffic is an inevitable--an inevitable byproduct of a
24 growing and vibrant economy. The congestion problem
25 in our--in our city risks hurting not only our

2 economy, but the everyday lives of New Yorkers who
3 are stuck on the slow-moving buses, we end up paying
4 higher costs for goods and forced to breathe more
5 polluted air—polluted air. This committee explored
6 these issues at a robust—at a robust oversight
7 hearing in June, and I have been very vocal that the
8 city needs a comprehensive congestion pricing plan
9 like Move New York to truly make a transform-
10 transformative impact on addressing these challenges.
11 In the meantime, it is my hope that the study and
12 recommendation that will result from this bill will
13 produce meaningful and creative ideas for how we can
14 tackle the problem—the role truck deliveries play in
15 the—in our city.

16 Intro 1375, and introduced by Council
17 Member Mathieu by request of the Staten Island
18 President Oddo, will require DOT to notify council
19 members, borough presidents and community boards when
20 he approves a permit to open a so-called protected
21 street, which is a street that has been reconstructed
22 or resurfaced within—within the previous five years.
23 Protected street rules are there for a reason. After
24 the city invested significant resources it takes to
25 repave or reconstruct a street and after community

2 has endured all the associated disruptions, such work
3 does utilize companies, and other entities should not
4 be allowed to come in and rip the street right back
5 up unless absolutely necessary. But too often that's
6 exactly what happens, and to make matters worse,
7 communities and elected officials are too often kept
8 in the dark about what has been done. This bill will
9 make a big difference by ensuring that local
10 communities are aware when this disruptive and
11 frustrating work is being done in their neighborhood.
12 I'm proud to co-sponsor Intro 1031-A, with my
13 colleague Council Levine, and he's not here with us.
14 Neither my colleague Council Member Mathieu is here,
15 but we're going to moving on. I would like to thank
16 the bill's sponsors, Speaker Melissa Mark-Viverito
17 and the Administration for all their work on these
18 important bills. I now call for the vote on Proposed
19 Intro 1031-A and Proposed Intro 1375-A. I recommend
20 a yes vote, and then ask the Committee Clerk to
21 please call the roll.

22 CLERK: William Martin, Committee Clerk,
23 roll call vote Committee on Transportation. Chair
24 Rodriguez.

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2 CHAIRPERSON RODRIGUEZ: I vote aye and I
3 would like to add my name, if I may, on the Council
4 Member Mathieu's bill.

5 CLERK: Constantinides.

6 COUNCIL MEMBER CONSTANTINIDES: I vote
7 aye.

8 CLERK: Garodnick.

9 COUNCIL MEMBER GARODNICK: Aye.

10 CLERK: Vacca.

11 COUNCIL MEMBER VACCA: Aye.

12 CLERK: Chin.

13 COUNCIL MEMBER CHIN: Aye.

14 CLERK: Rose.

15 COUNCIL MEMBER ROSE: [off mic] Aye and
16 I'd like to be added on 1375-A.

17 CLERK: Richards.

18 COUNCIL MEMBER RICHARDS: Aye.

19 CLERK: Reynoso.

20 COUNCIL MEMBER REYNOSO: Aye.

21 CLERK: By a vote of 8 in the
22 affirmative, 0 in the negative and no abstentions,
23 both items have been adopted by the committee.

24 CHAIRPERSON RODRIGUEZ: Thank you. Now,
25 let's go back to the oversight hearing, and now—and

2 right now I will ask the committee counsel to
3 administer the affirmation, and then invite TLC the
4 Commissioner Joshi from TLC to deliver their
5 testimony, but before that, thank for—to all the
6 individual medallion owners who are here. You are
7 the face of this industry. You are more than 6,000
8 individuals that own and drive your vehicle, and as
9 we need to support the other members of the state,
10 the other industry especially those 6,000 hard
11 working New Yorkers also deserve, and you should know
12 that you have our support.

13 LEGAL COUNSEL: Please raise your right
14 hand. Do you affirm to tell the truth, the whole
15 truth, and nothing but the truth in your testimony
16 before this committee and to respond honestly to
17 Council Member questions?

18 COMMISSIONER JOHSI: I do.

19 DEPUTY COMMISSIONER VALDIVIA: I do.

20 LEGAL COUNSEL: Thank you. You may
21 being.

22 COMMISSIONER JOSHI: Good morning Chair
23 Rodriguez and members of the Transportation
24 Committee. I'm Meera Joshi, Commissioner and Chair
25 of the New York City Taxi and Limousine Commission,

2 and with me today is Midori Valdivia our Deputy
3 Commission for Finance and Operations. I want to
4 thank you for the opportunity to share the TLC's
5 views on taxi medallions, and more specifically Intro
6 963, which would require the formation of a task
7 force to study taxi medallion values, and make
8 recommendations that would strengthen the taxi
9 industry. The Yellow Cab is an iconic symbol of New
10 York City and each day hundreds of thousands of
11 people hail Yellow Cabs in Manhattan to reach
12 meetings, fulfill family obligations and tour our
13 city. For decades, many New Yorkers including many
14 recent arrivals have seen driving a taxi as a good
15 job providing a stable income. The medallion
16 situation has changed in New York City, and I want to
17 offer some thoughts today about those changes, which
18 have an impact on small businesses and on our
19 licensed drivers. The taxi medallion gives its owner
20 the exclusive right to accept street hails anywhere
21 in New York City as well as the right shared by local
22 car services, app-based services, and traditional
23 Black Cars to transport passengers who book trips in
24 advance by pre-arrangements. For decades, the number
25 of medallions remained steady, around 12,000, and

then beginning in 1995, the State Legislature and City Council on different occasions authorized the TLC to issue more medallions putting the total number of medallions today at 13,587. These new medallions were sold at auctions conducted by the TLC. The average bid per medallions increased with each successive auction ultimately to 1.2 in March of 2014. Medallions are transferable, and are frequently sold after auction in private sales. The amount of these sales is reported to the TLC, and the transaction is subject to a city transfer tax, which thanks to recent legislations—legislation, sponsored by Chair Rodriguez, was reduced from 5% to .5%. Like the medallions sold at auction, medallions transferred privately for as much as \$360,000 in 2004 and for much—as much as \$1.1 million in 2014. Since 2014, medallions transfer prices have fallen. In 2016, medallions transferred for between \$325,000 and \$750,000. This year, medallions have transferred for between \$150,000 and \$580,000. This month there were two large sales and (coughs) one selling bank financed the purchase. In one the selling bank financed the purchase of 49 medallions at \$335,000 per medallion, and in the other a single lot of 46

medallions was sold for \$186,000 each. During this same time, the for-hire vehicle sector has grown to historical proportions. In late 2011, the TLC issued the first of many for-hire vehicle bases licenses to Uber, an app-based transportation company, and since then, many other app-based companies have begun operations in New York City. These companies like any other for-hire vehicle bases are subject to the TLC rules, and can only dispatch drivers and vehicles that are vetted and licensed by the TLC. The technology these companies use has been efficient for dispatching vehicles, and drivers and passengers have responded favorably. From 2011 to present, the number for-hire vehicles has more than doubled from around 35,000 to roughly 90,000. We similar growth in the number of FHV drivers from nearly 55,000 in 2011 to over 90,000 in 2016, at which time, thanks to Chair Rodriguez, the barrier that prohibited licensed drivers from driving in both taxi and FHV sectors was removed with the establish of the—establishment of the Universal TLC Driver's License. Today, the TLC licenses more than 170,000 drivers who can operate in both taxi and for-hire vehicles. In November, 2014, the TLC mandated that all FHV bases provide trip data

2 as had long been available for taxis. From this, we
3 know that the for-hire sector completed roughly 133
4 million trips in 2016, and is on course to do more
5 than 10 million more this year, about 143 million
6 trips in total. By comparison, during this period of
7 growth in the FHV sector, total annual taxi trips and
8 annual taxi fare box revenue decreased. In 2011,
9 taxis made 216 million trips and generated nearly
10 \$2.3 billion in fares, and in 2016, taxis made over
11 130 million trips and generated roughly \$1.8 billion
12 in fares. This downward trend in taxi trips and fair
13 box revenues continues this year. Because
14 historically medallion purchases are financed
15 purchases, discussion of evaluation must include a
16 review of lending practices over time. As with the
17 housing market, liberal lending practices can
18 increase both demand and prices, and can conservative
19 lending practices lower them. Prior to 2014, many
20 banks offered no or low deposit balloon loans that
21 were due in full after three years requiring frequent
22 refinancing often at much higher interest rates.
23 With each refinancing, many banks offered to lend
24 additional funds further increasing the debt burdened
25 on the borrower. As the loan increased, so did the

2 price at which medallions were bought and sold in
3 private transactions, and consequently, the higher
4 the sale price the more banks were willing to loan.
5 Today, banks and their regulators recognize that
6 value must be tied directly to income stream and
7 service levels. Regulators are scrutinizing
8 medallion portfolios, and in some cases taking over
9 the lending institution after uncovering unsound
10 banking practices. There are few available funds to
11 finance medallions so when sales occur, they are most
12 frequently either seller financed or cash-cash
13 transaction. As I mentioned before, medallions still
14 sell, but at lower prices than their historic highs.
15 New purchasers may represent awareness of this
16 continuing business opportunity. Those newly bought-
17 those newly buying medallions may represent an
18 awareness of driving a Yellow Taxi as a continuous
19 opportunity within New York City-within the New York
20 City brand. Going forward taking advantage of this
21 opportunity will likely mean increased integration of
22 technology and business operations. For taxis, this
23 may include using apps to help drivers find their
24 daily and weekly lease taxis, sign in and out of
25 shifts and get their compensation directly deposited

2 and to be paid on—a commission on fares. Other
3 revenue models may also appeal to medallion owners.
4 Already we've seen garages show interest in
5 commission based operations rather than the
6 traditional leasing system that many drivers work
7 under today. Other medallion owners many approach
8 revenue as—as a percentage of fares earned, which go
9 up and down with seasonality rather than today's
10 fixed monthly lump sum payment model. Both of these
11 business strategies give medallion owners and
12 operators a vested interest in the quality and
13 responsiveness of service for drivers and passengers,
14 something that was typically only true for own-owner
15 drivers. TLC has not simply observed market trends,
16 medallions are regulated assets so during this time
17 of change, the TLC has reviewed and revised
18 regulations to increase flexibility for medallion
19 owners, operators and drivers. Recent medallion
20 specific reforms include: Limiting the—eliminating
21 the owner must drive requirement so that independent
22 medallion owners have great flexibility to drive or
23 lease their taxi; eliminating the distinction between
24 independent and corporate medallions and lowering the
25 transfer tax from 5% to .5% to bring about greater

2 liquidity in the market, and that was done with the
3 help of the Transportation Committee who led the
4 process; removing the prohibition on non-cash
5 payments from taxi garages to drivers, allowing
6 electronic or other payment methods so long as they
7 are offered at no additional cost to the driver;
8 extending vehicle retirement periods, giving owners a
9 choice on whether or not to install a partition;
10 supporting the use of apps to hail and pay for taxis;
11 allowing garages to recruit from the entire universe
12 of drivers--today, over 170,000--rather than only a
13 small--smaller population that went to a taxi-specific
14 school.

15 In addition to these reforms, in October
16 2015, we gave taxi owners greater flexibility to
17 lease outside of the TLC's Least Cap Rules by either
18 splitting fares with their drivers or leasing for
19 fewer than hours. I'm happy to report that just
20 last month, almost two years after we made it
21 available, one operator has taken advantage of this
22 opportunity, and reports considerable uptick in
23 drivers working in his garage. We also recently
24 launched citywide accessible dispatch, which allows
25 taxi drivers to reach the meet--receive the metered

2 fare for the trip plus a dispatch payment to
3 compensate for the time spent traveling to the pickup
4 point, and assisting the passenger, and finally,
5 we're partnering with the MTA to test out Access-A-
6 Ride trips in both taxis and FHV's.

7 Intro 963. I'd like to now comment on
8 Intro 963, which would establish a task force to
9 study taxicab medallion values and the impact of taxi
10 medallion sales on the city's budget, and to make
11 recommendations to increase the value of taxi
12 medallions. I want to first note that since this
13 bill was first introduced in October 2015, the TLC
14 and Chair Rodriguez have taken significant steps,
15 many of which I've outlined above to ensure the
16 continued vitality of the taxi industry.
17 Additionally, there is a substantial amount of
18 information that is already publicly available to
19 better assess actual medallion values: Trip and fare
20 data, maximum lease caps, leasing income, gas prices,
21 and more. We continue to identify and publish
22 relevant information so that the City Council, the
23 TLC and the market can continue to make informed
24 decisions, the TLC always supports developing new
25 proposals to help our licensees, and we're interested

2 to hear proposals for additional steps that the city
3 might take. Government reform is important to ensure
4 that regulation is not an obstacle to progress, but
5 in today's market it is not the only way to bring
6 about meaningful change. We are seeing new
7 approaches from within the industry that leveraged
8 technology to attract passengers and drivers with
9 more flexible business models, and we welcome these
10 initiatives. We also think it's important that
11 membership of the task force reflect today's
12 industry. For example, due to reforms that
13 mentioned, some of the task force members represent
14 driver categories that no longer exist. Any task
15 force would also benefit from individuals that
16 represent the full diversity of the industry
17 including medallion owners, garages and those who
18 dispatch and lease taxis as well as the people behind
19 the wheel, the drivers. So, I thank you for allowing
20 me to testify today, and I'd be happy to answer any
21 of your questions.

22 CHAIRPERSON RODRIGUEZ: Commissioner,
23 before I we get back into the questions, I would also
24 like to recognize Council Member Van Bramer, Council

2 Member Miller, and now we are going to be going back
3 to the vote for the other bill.

4 CLERK: Introductions 1031-A and 1375-A,
5 Council Member Van Bramer.

6 COUNCIL MEMBER VAN BRAMER: I vote aye on
7 all.

8 CLERK: Greenfield.

9 COUNCIL MEMBER GREENFIELD: I vote aye
10 and I ask that my name be added to the 1031 and 1375,
11 please. Thank you.

12 CLERK: Miller.

13 COUNCIL MEMBER MILLER: I vote aye.

14 CLERK: The vote now currently stands at
15 11 in the affirmative. [pause]

16 CHAIRPERSON RODRIGUEZ: Yes. So, I have—
17 I'm going to be asking two questions, and I'm going
18 to giving the opportunity to my colleagues to ask
19 questions, and before I ask the question, I'd like to
20 share with everyone that in this coming stated
21 meeting, I'm going to be introducing a new
22 legislation that will allow an medallions owner to
23 have two cars instead of to have to two cars per
24 medallion. So, this is something that also we hope
25 that—we hope to have conversation with the industry,

2 and see how we also can helpful to this industry.
3 Again, the bill would be introduced in this coming
4 stated meeting. We allow a medallion owner to be
5 able, if he or she made a decision to use another car
6 to have the flexibility, and I also hope that as we
7 are having conversations with TLC, that also we take
8 advantage of Access-A-Ride. There's a market we
9 believe that is there for New Yorkers that also need
10 services, and Access-A-Ride is, you know, move a half
11 a billion a half a billion dollar fund, and we
12 believe that is something also we should think about
13 and how we can help the industry. But, I have two
14 questions. One is, Commissioner, can you explain a
15 little bit more extending the bill for the retirement
16 period?

17 COMMISSIONER JOSHI: Prior to 2014-2015,
18 there were different retirements depending on how
19 your taxi vehicle was used. So, some people had a
20 three-year retirement, and those were typically the
21 taxis that were being used in garages that were out
22 everyday. Some taxis had a 5-year retirement. Those
23 were ones where there was a committed—a committed
24 driver. So, it was more of a steady driver, and some
25 had a seven-year retirement. Those were ones where

2 there's an owner-driver, accessible vehicles and
3 hybrid vehicles. What we did through rule making was
4 extend everybody to the seven-year retirement. There
5 was one group of taxi medallions that didn't get the
6 advantage of that rule because they--there were--they
7 were prior to the effective date of the rule, and in
8 recognition of that, we have extended those
9 medallions for an additional year as well.

10 CHAIRPERSON RODRIGUEZ: Right, and--and.

11 COMMISSIONER JOSHI: [interposing] Let
12 me--let us make one comment. Why we feel very
13 comfortable extending the retirement dates is because
14 taxis come to get inspected pursuant to a federal
15 consent decree three times a year, and they undergo
16 our 200-point inspection. So, if any time if they
17 fail an inspection, regardless of whether they have a
18 seven-year retirement, they have to come off the road
19 and with that kind of a system of checks and
20 balances, we feel very comfortable with the
21 extensions that we've given that we're not putting
22 the public at risk.

23 CHAIRPERSON RODRIGUEZ: Great, and--and
24 can--first of all, I'm happy to hear--I know that we
25 can work with you--you--the TLC under your leadership,

2 on the potential task force that we can create. Can
3 you describe what—and—and I like you also to say how
4 important it is that members here of the task force
5 reflect today's industry. If you would like to
6 imagine the best, you know, the composition or the
7 task force, what do you think will be important that
8 to be included in that task force in order to
9 represent, you know, a member of the industry, not
10 only from the government, but also from—from the all—
11 from the owner—the ownership, and—and also academic,
12 banking. Who should—again, who should compose that—
13 that task force?

14 COMMISSIONER JOSHI: So, I can give some
15 thoughts on additional membership, and some of them
16 we laid out in our testimony. That would be
17 individual medallion owners. Although that title is
18 gone, there are several individuals who own their
19 medallion, and own their car, and their perspective
20 is very important. It's important to have people
21 represent that actually run garages and fleets of
22 medallions because improvements to operation are an—
23 an excellent way for medallion taxis to be higher
24 until we have higher utilization on our streets. You
25 certainly will need drivers, long-term driver and new

2 drivers, and driver that may be have experience in
3 other sectors so they can better identify some of the
4 differences, and what makes driving in one sector
5 more attractive than driving in another? And—and
6 another sector that—that might be helpful to have
7 represented here that I didn't mention in my
8 testimony is the lending. Somebody from lending
9 institutions because many of the medallion loans, as
10 you know, are hitched to outstanding loans that are
11 difficult to pay back in these times, and also
12 difficult to understand in terms of the meaning of
13 the valuation because that's—they are far greater,
14 the—the outstanding loans that what today's sales
15 prices are. And so, coming to an agreement with
16 banks on how to right size those loans could be an
17 incredible benefit for the individual borrowers.

18 CHAIRPERSON RODRIGUEZ: Great. Before I—
19 my colleague ask a question, next to us the couple
20 who is here, can you come with us, please? [speaking
21 Spanish] Come in here, if you don't mind. [pause]
22 Policy making. [pause] I just want to point to my
23 colleague, you know, for the audience and the TLC to
24 know these are the faces of individual medallion
25 owners. You know, this family came to me like three

2 years ago. The gentleman here he believes that by
3 investing in a medallion, he was securing his
4 retirement. Now, he's been dealing with tough
5 medical health issues and his wife and him is trying
6 to survive. I think that when we have this
7 conversation, as you will be, you know, listening to
8 testimony where my colleagues ask questions, I just
9 want everyone to understand that this family
10 represents 6,000 individual medallion owners that
11 they don't know what to do because the promise that
12 we—the dream that we—the dream that we sell, that we
13 sold to them, you know, 30, 40, 10 years ago, 15
14 years ago, it was safe for them to invest, and that
15 they could have the retirement secure. That's not
16 happening today. So, I just want to, you know, to
17 let you know that as you answer any questions for my
18 colleagues and I've got to give a lot of credit to
19 the great champion, someone that has been doing his
20 job, being fair to everyone who really understands
21 this industry. But I want—I believe it is important
22 that everyone understands that we are behind again,
23 that we don't know if we can save this industry, and
24 that we are playing with investments and not only
25 whoever owns a few hundred medallions but also 6,000

2 individual owners that they don't know what to do in
3 the investment they made years ago. [Speaking
4 Spanish] Applause.

5 SERGEANT-AT-ARMS: Be quiet, please.

6 COMMISSIONER JOSHI: I would—I would also
7 like to comment that—well, I mean I—I look at lot out
8 here, and I see very—a lot of familiar faces of
9 individual owners that—whose stories I personally
10 know because they've come in our office, and we've
11 discussed them, and we've had a very long hearing. I
12 think it last six hours in April, which was for
13 anyone who attended extremely painful the stories one
14 after another for that length of time of the
15 financial crisis that many families are in because of
16 the outstanding loans they have. You know, I think
17 you'd have to be made of metal not to have that
18 affect you. We have also worked with neighborhood
19 trusts, which is willing to provide free financial
20 advice for any medallion owner. The—the questions
21 that often came to us were: The loan is outstanding.
22 Should I pay back the loan? Should I go into
23 bankruptcy? What's the best course of action? And
24 in those cases, we'd want to make sure, and—and this
25 is the resource that is now available, that—that

2 people have somebody to talk to independently about
3 what their choices are, as hard as those choices may
4 be. [pause]

5 COUNCIL MEMBER GARODNICK: Good
6 afternoon—good afternoon, everybody. Commissioner, I
7 appreciate what the city has done, but I really
8 wonder if it's enough. I have met with constituents
9 who are in danger of losing their homes because they
10 bet a regulated market in New York City, and the
11 price has dropped almost 90%, which is not quite
12 tulip bulb mania (sic) proportions, but it's pretty
13 bad. And while I've listened to what you've had to
14 say, and I appreciate it, I don't really get a sense
15 of urgency here. This is an extremely important
16 industry in the city of New York. It employs
17 thousands and thousands of people, many of whom are
18 my constituents, and I really would like to get more
19 of a sense of urgency out of the Taxi and Limousine
20 Commission, and I'd like to hear from you what steps
21 you think we should be taking to level the playing
22 field so that people who drive Yellow Cabs who
23 entered into a contract with the city of New York,
24 have—can come home every night and feed their
25 families and pay their mortgages.

2 COMMISSIONER JOSHI: So, I think there's
3 one aspect, which is the lending aspect, something
4 that, you know, we as the Commission, and you as the
5 Council may have limited authority, but there are
6 outstanding loans that are very difficult to pay
7 back, and represent an amount that is not matching
8 what the medallion is worth. So, a way to right size
9 those loans I think would create incredible relief
10 for medallion owners, and there are also other things
11 that I think we can work on together. There is the
12 ability of taxis to do work beyond traditional hail,
13 and we'd love to explore that with the taxi industry
14 on how they can do more prearranged work and do work
15 through apps. So that they are getting the same
16 passenger base that Uber and Lyft are getting.
17 There's a generation out there that only looks at
18 their phone to get car service, and we need to make
19 sure that taxis are well positioned so that they are
20 one of the options when somebody does.

21 COUNCIL MEMBER GARODNICK: I appreciate
22 that many of—many of the people in the city including
23 many of my constituents love the new app services,
24 but I'm wondering if the-if the playing field is
25 really level for everybody. I know that taxi

2 passengers have to pay a surcharge at certain time.
3 Taxis should—should all be, in my opinion should be
4 handicap accessible, but that's not require for some
5 of the other app services, and I'm wondering if
6 there's room there, wiggle room there that the—the
7 Commission has considered so that we can level the
8 playing field.

9 COMMISSIONER JOSHI: In terms of
10 accessibility, in July we published proposed rules
11 that would put accessibility mandates on the for-hire
12 sector. Today—well, let me—let me actually step
13 back. To clarify the existing accessibility mandates
14 for the for-hire sector, which is provide equivalent
15 service, and our proposal is much more tailored
16 mandates. So, that they get there. We're having a
17 hearing on that rule making, and this week on
18 Thursday. I know that there is other proposals that
19 people think are more fitting. So, we'll hear those
20 as well, as well as hearing from passengers who have
21 felt the gap in service as the app-based for-hire
22 vehicle services have become more and more popular
23 with the general public.

24 COUNCIL MEMBER GARODNICK: You had—I
25 appreciate that. You had mentioned, and—and you

2 addressed it when you were speaking to me that some
3 of this may have been—some of the—the—whatever, the
4 bubble or whatever we want to call it and the price
5 of medallions may have been contributed to by easy
6 credit or something like that. But at the same time,
7 this city in 2014 auctioned off medallions at an
8 average price of \$1.2 million. So, do you feel that
9 the city was taking advantage of that bubble? That's
10 a lot of money. It brought in a lot of money, and
11 traditionally, the sales of medallions, new
12 medallions have brought in, you know, a huge bankroll
13 for the city of New York.

14 COMMISSIONER JOSHI: The—the funds, the
15 determination of what the upset price is for an
16 auction is set by the Office of Management and Budget
17 based on past transactions. My understanding is it's
18 based on past transactions. So, they look at what
19 the most recent out-of-auction transactions are, and
20 they come up with an upset price. The upset price,
21 which I don't have off the top of my head for both of
22 those auctions, although Madori can get it for us,
23 and I can get it to you short, is basically what the
24 minimum bid was, and—and those—those medallions did
25 sell for well over those upset prices. I don't—can't

2 speak to exactly the thought process when that
3 auction was being held, or when it was designed. That
4 was a different administration and different
5 architects, but I can say that our-our purpose--

6 COUNCIL MEMBER GARODNICK: [interposing]
7 But it-but it took place-this Administration took
8 office in the 2015-16.

9 COMMISSIONER JOSHI: [interposing] The
10 2014 one did.

11 COUNCIL MEMBER GARODNICK: Yes.

12 COMMISSIONER JOSHI: Yeah.

13 COUNCIL MEMBER GARODNICK: It was-it was
14 already her.

15 COMMISSIONER JOSHI: It was already. The
16 2013 one was the larger one in the fall, and the
17 scheduling of the 2014 ones I think was well under
18 way. So, yes, you're correct it did happen under
19 this administration. Not under my leadership. I
20 wasn't there at the time of those auctions because I
21 left city service for a few months, and came back,
22 but none-I don't want to separate [bell] myself from
23 those auction prices because those are real numbers,
24 and those are real loans and as Chairman Rodriguez
25 pointed out, those are real individuals behind each

2 one of those loans, which is something we need to
3 address. But the—the sale prices are based on what's
4 happened recently, and that's where OMB gets the
5 upset price number.

6 COUNCIL MEMBER GARODNICK: So, I guess if
7 we did another sale, those prices would be much
8 lower.

9 COMMISSIONER JOSHI: Yeah, and I think
10 the—the thought that I didn't finish is what our
11 concern is, is service that there's cars on the
12 street, and that there's people that can accessible
13 taxis when they need them. There's people who can
14 hail a taxi if they don't have a Smart Phone, if they
15 don't have a credit card or they choose not use to
16 use it, and that there's a version of for-hire
17 transportation that people cannot be refused from.
18 The first car that you see is the one that needs to
19 pick you up, and if that doesn't happen, and there
20 are those occasions where that doesn't happen, and
21 we're disappointed every time we hear about them.
22 When people report that to us, we are able to
23 prosecute those drivers.

24 COUNCIL MEMBER GARODNICK: I appreciate
25 that. Mr. Chairman if you'll let me, just one more

2 question for this round. One of the things that I-
3 when I-when I met with taxi drivers recently, one of
4 the things that they mentioned is what you mentioned
5 among your last comments before you went into Intro
6 963 that you're partnering with the MTA on Access-A-
7 Ride. Can you get into that a little more with us
8 here? Is it-have tests taken place? Where are we at
9 with that?

10 COMMISSIONER JOSHI: Yes, we went through
11 several months of proof of concept with the MTA
12 working very closely with the MTA and the two
13 providers that-that provide in-taxi technology today.
14 They also have apps, and I'm glad that the MTA has
15 looked into an app-based solution for future
16 paratransit passengers. Then, more recently the MTA
17 passed a formal pilot where one app, the Curb App, is
18 now providing between 1,200-1,250 riders in Yellow
19 and Green taxis on weekdays and about 900 rides in
20 Yellow or Green Taxis on weekends. Ten percent of
21 those rides are happening in wheelchair accessible
22 vehicles. So, this is just the beginning. Extremely
23 good customer feedback, and extremely high
24 fulfillment rates, which are the two things that
25 really matter in any app-based service. Both of

2 those are present. So, we're fully confident that
3 the MTA has what it needs to expand, and we look
4 forward to them bringing on the other taxi technology
5 provider who also has an app, the Arrow App to
6 provide even more Access-A-Ride service in Yellow and
7 Green Taxis.

8 COUNCIL MEMBER GARODNICK: Okay, thank
9 you—thank you, Madam Commissioner and thank you Mr.
10 Chairman.

11 CHAIRPERSON RODRIGUEZ: Thank you,
12 Council Member. I need to excuse myself to go and
13 vote to the Land Use Committee, but Council Member
14 Miller will be here. Next, we have Council Member
15 Chin followed and then followed by Council Member
16 Miller. Council Member Chin.

17 COUNCIL MEMBER CHIN: Thank you, Chair.
18 Thank you, Commissioner for your testimony. (Sighs)
19 I mean it's just really sad. I mean I—I remember in
20 the previous administration in the Bloomberg
21 Administration the Taxi Medallion was helping to fill
22 the budget, and they were selling for a lot of money,
23 and the city was basing, you know, the budget on that
24 a lot, and then all of a sudden now it just plummets
25 so much, and it's hurting so many families especially

2 immigrant families who saved so hard and bought that.
3 You know, they finally got a medallion and—and they
4 can plan for their future and now they're stuck. So,
5 I think that we really have to do more to really help
6 these families. I mean the number of trips that you—
7 you were talking about in your testimony, from these,
8 you know, for-hire vehicles it just—I mean the number
9 is very huge, and there's got to be a way that we
10 could—we have to manage that close. All of a sudden
11 they're all over the place, and one of the things
12 that I don't think the city is really looking at is
13 the environmental impact. All of a sudden, we go all
14 these cars, and especially in my district in Lower
15 Manhattan. I see people, you know, taking these
16 cars. A lot of it is the Uber or whatever, and it's
17 like they could have just walked to the corner and
18 they can get a Yellow Taxi easily, but now they
19 wanted somebody to pick them up right in front of
20 their house, and it's causing a lot of chaos and con-
21 gestion especially on these narrower streets. So,
22 what I'm asking you is what is the TLC doing to
23 really help the Yellow Taxi industry?

24 COMMISSIONER JOSHI: So, you've raised a
25 goo point--

2 COUNCIL MEMBER CHIN: [interposing] If
3 their impact is so great--?

4 COMMISSIONER JOSHI: --about how the FHV
5 industry is different than all of the other sectors
6 we regulate and that it has no growth control
7 mechanism, no built-in environmental review, no
8 built-in community board review, not built-in DOT
9 review.

10 COUNCIL MEMBER CHIN: But that's not
11 fair. Why couldn't we institute those? I mean that
12 was why--?

13 COMMISSIONER JOSHI: [interposing]
14 That's--that's one thing that is under your
15 jurisdiction and I don't have the authority to do
16 that. I can't limit the number of vehicles or
17 drivers that we license.

18 COUNCIL MEMBER CHIN: You--you cannot--

19 COMMISSIONER JOSHI: No.

20 COUNCIL MEMBER CHIN: I mean they should
21 be playing by the same rules.

22 COMMISSIONER JOSHI: They have two sets
23 of rules based on state and local law. The medallion
24 has a Cap system of vehicles and the FHV's has an
25 uncapped, and the agency's jurisdiction isn't large

2 enough to make a change in terms of the number of
3 vehicles that come in under the FHV sector.

4 COUNCIL MEMBER CHIN: So-so do you-do you
5 suggest that we definitely need to do something to
6 restrict and manage the number. I mean this is
7 stuff--

8 COMMISSIONER JOSHI: [interposing] I
9 think we've done a very important first step, which
10 is gather trip data. So that we as a city understand
11 where are these trips happening, and are these cars
12 being utilized in the best way possible? And we
13 recently get drop-off data as well, which will tell
14 us and the public a lot more about where the activity
15 is happening. With that kind of information, I think
16 we would work with DOT and City Council to understand
17 what exactly is the right mechanism to create some
18 sense of alleviation to the--some of the problems that
19 you've pointed out.

20 COUNCIL MEMBER CHIN: So, how soon will
21 you have this data available?

22 COMMISSIONER JOSHI: We're just now
23 getting it, but it takes quite a while for us to
24 compile it from 900 bases, but we're happy to keep
25

2 you up to date, as soon as we're able to give a
3 public report on it.

4 COUNCIL MEMBER CHIN: Do you have any
5 projection in terms of time frame with this big one--
6 the big one?

7 COMMISSIONER JOSHI: [interposing]
8 Actually, before--definitely before the end of the
9 year. Definitely.

10 COUNCIL MEMBER CHIN: okay, so within
11 three months--

12 COMMISSIONER JOSHI: [interposing] Yeah.

13 COUNCIL MEMBER CHIN: --you should be able
14 to get something.

15 COMMISSIONER JOSHI: Yeah, I would say in
16 three months, but that's good. You're negotiating.
17 [laughs]

18 COUNCIL MEMBER CHIN: Well, that's very
19 good.

20 COMMISSIONER JOSHI: [interposing] We'll
21 try. How about that?

22 COUNCIL MEMBER CHIN: Yeah, because we
23 need to do something.

24 COMMISSIONER JOSHI: Yeah, well, we're
25 happy to--to give you that information and--and you can

2 see like in--on a map it's--when you map the trips you
3 see where it's all happening, and I think that's very
4 important for City Planners and for City Council to
5 know.

6 COUNCIL MEMBER CHIN: Yeah, because we
7 institute, you know, the Green Cab to help all the
8 other boroughs in Upper Manhattan. Whether that is
9 effective or not, and we would really like to know
10 these, you know, these app-based--

11 COMMISSIONER JOSHI: [interposing] Yeah,
12 that's a good point.

13 COUNCIL MEMBER CHIN: --for-hire vehicles,
14 are they really going to neighborhoods where people
15 couldn't get a taxi or are they just concentrating,
16 you know, in the Central Business District or in--in
17 Lower Manhattan and Manhattan neighborhoods where
18 there is availability of Yellow Cabs and--and other
19 services.

20 COMMISSIONER JOSHI: So, we look forward
21 to sharing the data with you, and it will be able to
22 answer some of those questions.

23 COUNCIL MEMBER CHIN: Thank you.

24 COMMISSIONER JOSHI: Thank you.

25 COUNCIL MEMBER CHIN: Thanks.

2 COUNCIL MEMBER MILLER: Thank you,
3 Council Member Chin. [applause] So, we do this—we do
4 this, we do this. Okay, please, we do this and thank
5 you. So, I—I do want to follow up with the Council—
6 with Council Member Chin and also my colleagues
7 before me and that we—we certainly are very much
8 concerned. My district like—like many other working
9 class communities in the city have a lot of Yellow
10 Cab Operators, and I—I certainly while I'm knocking
11 on the doors during the summer, I've—I've heard that
12 concerns and I've—I've heard their disappointment in
13 the city that they have made these major investments
14 that not only do they have these—these notes, they
15 have mortgages and—and home mortgages as well that
16 are predicated on them—the services that they are
17 delivering, and—and that's not happening. It's not
18 happening because we are not controlling and
19 regulating the industry that folks have—have pretty
20 much come in, and—and that we have regulated them in
21 a way that what you can do, when you can do it, but
22 not just that. Who can do it and we have specific
23 criteria, checks and balances, and on these
24 operators, and the owners. We've allowed people to
25 enter the industry who don't have to meet the same

2 standards and that's unfair. At the very least, we
3 have to ensure that app base has to do the same
4 thing, right. So that I had my father-in-law over
5 last weekend, and—and he turned in his radio on his
6 Black Car because he couldn't compete, and he's just
7 pretty much given up, and that was investment that he
8 couldn't afford to lose as in many of the folks here
9 that we see today that invested. And so, my concern
10 is number one, is whether or not we say that we don't
11 have the ability to regulate those folks coming into
12 the industry. I know that we've done with this
13 committee, and do legislation, a lot of work ensuring
14 that those who are operating within the industry were
15 operating safely, efficiently and that they were
16 serving atop everyone a target audience, and what I
17 see is that the Yellow Cab industry has to adhere to
18 those criteria and others don't and that an unfair
19 advantage, right? Certainly, and it continues to
20 happen because we recently had the Chariot App
21 Service for Vans entering and all the work that we
22 did around commuter vans, they don't adhere to any of
23 those, any of the policy and legislation that we put
24 forth and that's unfair. And so, I think that
25 certainly that there is something we could do more,

2 but I also believe that in these certifications you
3 mention about licensed drivers and certifications.
4 Everyone who drives—who drives a Yellow has
5 Certification. Everyone who drives an MTA bus has a
6 certification, but yet you can drive an app-based
7 part-time driver licensed for two weeks. That's just
8 not fair, and it's not safe that we put people on it
9 that—that—this is a profession that people who invest
10 are not just their dollars, but their time and being
11 safe, being accessible, understanding the dynamics of
12 this city and being able to serve the people of this
13 city, and it's unfair that people show up with no
14 training, no understanding and they're able to take
15 business and money from—out of the mouths of these
16 families here, and we as a city can do better. Any
17 response?

18 COMMISSIONER JOSHI: I want to point out
19 that the—the point you made about the difference
20 between what someone has to do to drive a taxi versus
21 what they have to do to drive an app base—in an app-
22 based service or for any car service being different.
23 That is true up until about 2015 when we instituted
24 training for all drivers. So, now every driver has
25 to go through the 24-hour training, the Sex

2 Trafficking training, the wheelchair accessible
3 training. They all--and they always all had to do the
4 fingerprinting, DMV criminal background and the FHV
5 drivers now have to also do the medical, which Taxi
6 always had to do as well. So, we--and--and with the
7 help of the Transportation Committee, we've created
8 one license. So, in that sense, we have given a lot
9 of mobility for drivers and for owners who are
10 recruiting drivers to get drivers anyone of the
11 172,000 licensed drivers, they can all use. It is
12 different for a commuter van, and I know that's an
13 area of particular concern for you with respect to
14 recruiting drivers because they have to meet state
15 standards, 19-A standards. So, it's---it's a state
16 requirement, but we're happy to work with you to see
17 if there are ways that we can broaden the pool for
18 commuter van drivers because I know that is of
19 concern, and the commuter vans, the legal commuter
20 vans are the lifeline of your neighborhoods.

21 COUNCIL MEMBER MILLER: Has--has there
22 been anything done to address this--this--this new
23 Chariot company--

24 COMMISSIONER JOSHI: [interposing]
25 Chariot--

2 COUNCIL MEMBER MILLER: --that's come
3 through?

4 COMMISSIONER JOSHI: Yeah, you know,
5 we've talked a lot—we know a lot about the commuter
6 van issues from our discussions in meetings and
7 Chariot came in as a Black Car Company. So, they did
8 not come in as a commuter van company. We will keep
9 you posted on the amount of activity--

10 COUNCIL MEMBER MILLER: [interposing] But
11 what are they?

12 COMMISSIONER JOSHI: They are a Black Car
13 company.

14 COUNCIL MEMBER MILLER: What are they?
15 Are they commuter vans? Are they vans or are they
16 Black Cars?

17 COMMISSIONER JOSHI: The Black—the
18 definition of Black Car has been coming--

19 COUNCIL MEMBER MILLER: [interposing] Are
20 they 15-passenger vans or are they Black Cars?

21 COMMISSIONER JOSHI: A Black Car is
22 anything now. A Black Car can be a Green Car. I
23 mean that's where we are.

24 COUNCIL MEMBER MILLER: See, that's
25 exactly why we find ourselves in the position today

2 that we're in because this is--this is not just that
3 we're being ambiguous, we're--we're allowing--

4 COMMISSIONER JOSHI: [interposing] That's
5 a definition of--of the Black Car if that need to be
6 defined.

7 COUNCIL MEMBER MILLER: [interposing] We
8 absolutely need to define as a matter of fact who is
9 who and what is what so that we can take charge of
10 this so that we can protect the--the--the livelihood
11 of--of folks that we can't industries. [applause] No,
12 no, no. We don't do that.

13 SERGEANT-AT-ARMS: Quiet down, folks.

14 COUNCIL MEMBER MILLER: That we can't have
15 people, corporations coming from outside of New York
16 City and taking over industries and just moving
17 people out of jail. That's--that's--

18 COMMISSIONER JOSHI: So, we'd be happy to
19 work with City Council where the definitions in the
20 Ad Code of Black Car Lux Limo live, and if there
21 needs to be further work on clarifying and refining
22 those, we're happy to work with you on that.

23 COUNCIL MEMBER MILLER: These guys have
24 come in, and they've pretty much without everything
25 that we worked years on regulating those commuter

2 vans and whether or not they were usurping and today,
3 whether they was operating safe, accessible. They
4 don't have to do any of that. So, we spent all that
5 time and here they're going to knock these guys out
6 of the industry, and now we spend we spent another
7 four years trying to regulate them.

8 COMMISSIONER JOSHI: And I do---while,
9 we're on the topic--

10 COUNCIL MEMBER MILLER: [interposing] We
11 should be ahead of the curve.

12 COMMISSIONER JOSHI: --of commuter vans I
13 do want to report that we have rolled out forfeiture
14 program that began December 2106, and we've done
15 quite a lot of work on the illegal commuter vans.
16 We've seized--

17 COUNCIL MEMBER MILLER: [interposing] Yes,
18 you have. We appreciate it.

19 COMMISSIONER JOSHI: --about 15, and we
20 don't give them back. They go--

21 COUNCIL MEMBER MILLER: Now, we've got
22 these guys.

23 COMMISSIONER JOSHI: --through a
24 forfeiture.

25 COUNCIL MEMBER MILLER: So, thank you.

2 COMMISSIONER JOSHI: You're welcome.

3 CHAIRPERSON RODRIGUEZ: Council Member
4 Greenfield.

5 COUNCIL MEMBER GREENFIELD: Thank you,
6 Chair, and thank you Chair/Commissioner for your
7 testimony today. I--I just--I just want to clarify a
8 couple of things. The--when we talk about the--
9 traditionally the role of the TLC, do you see it as
10 part of your mandate or role to try to protect the
11 investment of the medallions? Obviously, many folks,
12 many of whom who are today, they've invested their
13 life savings, and this is perhaps their one largest
14 asset that they own. Is that something that that
15 you've used part of your mandate, or where do--where
16 do you--where does your agency figure into that
17 equation aside from the standard. We know, we all
18 know what it is that you do in terms of technically
19 what the TLC does and the rules and regulations and
20 the oversight, but do you--do you view that as part of
21 your mandate to try to protect the value of these
22 medallions?

23 COMMISSIONER JOSHI: So, our--we view our
24 mandate as that that stems from the Charter, which
25 says we protect and we do transportation policy that

2 affects drivers, public transportation, passengers
3 and the businesses that operate within it, which
4 within that. There is lots of litigation about the
5 exact question that you've asked me on what exactly
6 are those—the meaning of those charter phrases. So,
7 I will decline to comment further on that because
8 that's happening through litigation, but generally we
9 defer to the Charter, and the courts are now going to
10 decide what the Charter really encompasses or not.

11 COUNCIL MEMBER GREENFIELD: Okay, so
12 without—for those of us like myself who are not
13 familiar with the intimate details of that
14 litigation, without saying something that would
15 impact on the litigation, you must have a position.
16 So, what is the TLC position as to what—what your
17 role is in terms of the value of those medallions?

18 COMMISSIONER JOSHI: Our role is to make
19 sure that the public and those who operate have good
20 service, and from the good service flows revenue and
21 from—from revenue flows increased values. So the
22 consequence of good service is increased values, and
23 we really want to focus our efforts in making sure
24 that there are good cars out on the road, that
25 there's ways for passengers to get them, that drivers

2 are qualified to drive them, and all of that adds up
3 to revenue, which increases value. So, you have to
4 start with service when you're deciding what value
5 is. That's the perspective that we have here at the
6 TLC.

7 COUNCIL MEMBER GREENFIELD: Yeah, I guess
8 I'm asking it for me. Is there—is it—is it fair to
9 say that as part of service, having a rider or owner
10 who has invested in the Medallion and has been there
11 for years who continues to drive that that might be
12 something that would benefit the—the industry, and
13 that perhaps the falling values of the medallions
14 might be having a negative impact on the ability and
15 dedication and commitment to do this as a long-term
16 prospect, which many people have done over—
17 historically for years?

18 COMMISSIONER JOSHI: The declining values
19 are surely having an incredible aspect—impact on
20 those individual owners, but I think you're right.
21 We—we—support—have long supported the owner/deriver
22 model because it does what I referred to in my
23 testimony the owner-driver is invested in every part
24 of that process. Their car is clean because they
25 drive it every day. They're dependent on the fares

2 because the fares determine how much of their
3 earnings they get to take home. They're not in the
4 garage model where they're siloed payments like lease
5 cap payments and monthly medallion lump sum payments.
6 And so, they are the epitome of the—of the smart
7 business strategy. Today's—today's values are
8 certainly hurting them because the loans that are
9 attached to those medallions that they did work very
10 hard for, and have earned income on for many years,
11 are not able to meet the loans that they're due every
12 month.

13 COUNCIL MEMBER GREENFIELD: Sure. I
14 guess what—what I'm really getting at, which is even
15 more specific is that it would now discouraging,
16 right, a whole generation of individuals who might
17 have gone into this business or this industry to take
18 in as a serious potential business opportunity from
19 participating because essentially the message to them
20 is that the values of these medallions are declining,
21 and we're not gong to step in to help you with your
22 investments. Do you see my concern from that
23 perspective?

24 COMMISSIONER JOSHI: I—I—I think—I think
25 I see your concern. It's like what is the model

2 going forward, and we see this phenomena not just in
3 the taxi industry. You can look at Amazon or Walmart
4 of so many of these companies that are now operating
5 in large scale that make it extremely difficult for
6 small businesses--

7 COUNCIL MEMBER GREENFIELD: [interposing]
8 Sure, but because I'm running out of time--

9 COMMISSIONER JOSHI: --and I thin that's
10 the microcosm of what's happening here in the taxi
11 industry.

12 COUNCIL MEMBER GREENFIELD: [interposing]
13 That's fair, but Commissioner, to be fair, we in the
14 city didn't sell contracts to those stores for
15 example that we're selling electronics giving them
16 some sort of exclusivity over the electronic business
17 where we did essentially to the taxi medallion world
18 saying, hey, you're going to have an exclusive. In
19 return for this exclusive, you're going to pay a
20 premium, right. So, if I decided that I'm going to
21 open up David's electronic shop, I didn't pay a city
22 agency a premium for that. I just simply opened up
23 David's Electronic Shop. Now Amazon came and put me
24 out of business. That's fair, but if I pay the city
25 a premium so that I could be the only person who

2 sells electronics to 250 Broadway, and someone else
3 is selling electronics to 250 Broadway, well that's—I
4 think it's a fair question as to what role the city
5 should be playing in that, but I'm—I'm out of time So
6 I just want to ask one final question: Are there any
7 lessons to be learned from London's actions with
8 Uber? I'm sure you've seen the news recently--

9 COMMISSIONER JOSHI: [interposing] Yes,
10 it's in--

11 COUNCIL MEMBER GREENFIELD:--where London
12 stepped in. [applause] What--what's your assessment
13 of that, and how do you think that relates to-to New
14 York City, and a very different model obviously.
15 Right here in New York there was a lot of pressure.
16 It seems like the city backed off, and then in London
17 you have model where there's a pressure, and it seems
18 the city just said, well, we're shutting you down.
19 So, what--what do you learn from all the other major
20 metropolitan cities. We always like to compare
21 ourselves to here--

22 COMMISSIONER JOSHI: [interposing] Yes.

23 COUNCIL MEMBER GREENFIELD: --to London.
24 So, what--what--they have better accents, of course,
25 but what do you view as the lessons from the London

2 model and how does it apply to the TLC and your
3 relationship with Uber and the other similar kinds of
4 companies?

5 COMMISSIONER JOSHI: So, we—we did have
6 the opportunity to speak to Transport for London to
7 get some better understanding of what's happening
8 there. The license was not renewed. Should Uber
9 appeal that decision, they continue to operate and
10 that includes adding drivers and adding vehicles
11 while that case is pending through the courts, which
12 they estimate could take three years. So, there's no
13 immediate change on the ground for Uber unless they
14 decide not to appeal, in which case they would be
15 shut down immediately. Some of the concerns that
16 they had are ones that we addressed in our
17 backgrounding process. It sounded like they didn't—
18 they didn't have confidence in the agencies that Uber
19 was using to vet drivers. Here in New York we vet
20 those drivers ourselves. We do—are in charge of the
21 fingerprinting and the DMV. They were also concerned
22 about Uber's involvement generally in greyballing,
23 and their transport for London is a little bit
24 different than TLC because it works at sort of state,
25 local and federal levels. Here in the inquiry into

2 greyballing is the jurisdiction, the Department of
3 Justice, and that's an active open investigation, my
4 understanding, and should we get information from
5 DOJ, we would absolutely take action.

6 COUNCIL MEMBER GREENFIELD: So, are there
7 any lessons to be learned from their interaction with
8 Uber in London? Is there any takeaways from your
9 perspective?

10 COMMISSIONER JOSHI: You know, it's very
11 similar. They're facing-it's-it's similar-it's
12 similar in the sense that they-Uber is in their fire-
13 hire sector just like it is in ours. They call it
14 private hire there. They have a little less
15 information about how their taxis and Ubers operate
16 within the city, but I-I can't say at this early
17 stage that there is-there is a lesson, and I also
18 would like to see a little bit more fleshed out about
19 the reasons for the non-renewal, which I think will
20 be forthcoming as the case gets litigated.

21 COUNCIL MEMBER GREENFIELD: Okay. Thank
22 you very much.

23 COUNCIL MEMBER MILLER: Thank you,
24 Council Member Greenfield. We're going to do a
25 second round. But being that I am sitting in the

2 Chair's seat, I am going to take a privilege and-and
3 kind stay on that, but you talked about delivery of
4 services, but we want to talk about the consistency
5 of that whether or not they're being delivered the
6 same, and-and throughout the industries, and some
7 folks, as you said, may want to stick on the commuter
8 vans, but-but just those who are providing
9 transportation throughout the city, as we have folks
10 who-who are purchasing medallions, we also have folks
11 who have historically have franchising rights, and
12 these Walmarts or-or other comes, corporations that
13 now come in, and-and-and sort of just-just circumvent
14 that franchising. They just stop anywhere they want
15 to stop, and pick up anywhere they want to pick up.
16 That is-that is-that seems to be problematic, and it
17 seems tat the city as we've seen that there is not
18 consistency in services, but it all seems-to me it
19 appeared that we are abdicating our responsibility as
20 a municipality ensure that all of our citizens have
21 safe and accessible transportation, and equitable
22 transportation no matter where you are in the city.
23 If you don't have the ability to regulate folks, then
24 you can't ensure that, and if you allow people to
25 come in and think you're going to regulate them after

2 the fact, then we have problem whereas we could kind
3 of foresee all the app-based participation that has
4 come in-into the industry. One of my-again, I-I
5 would like to say also is that safety should be our
6 paramount concern, and whether or not 24-hour online
7 is equivalent to the services that-that folks are
8 being trained, being retrained consistently based on
9 what industry that they are in, whether or not this
10 is a requirement of those who are entering the
11 industry, and how do we ensure that these things are
12 cut. First, that you're not impeding on those who
13 have invested in franchise, that we are not impeding
14 on those who invested, and-and-and certainly those
15 who have invested in medallions as well. As-as the
16 council member said that-that we do believe that
17 those who have invested life saving here in this city
18 should be protected by that. That's the agreement
19 that-that they entered into, right, that this has a
20 certain value, that value being assessed to determine
21 by a government entity that we should know that its t
22 be able to sustain that value at least for the
23 foreseeable future, not two years later decreased by
24 90%, and we're just throwing our hands up saying well
25 it's okay, and continuing to allow people to-to come

2 into the industry. So, I would hope that we can do
3 better by that, and you did talk about working with
4 the Council, and certainly we have a plethora of
5 ideas that I think that could be—could be helpful,
6 but if the admin is going to take the position that
7 these are job creators, as what's occurred in the
8 past, then that is counterproductive. It really is.
9 I remember doing a hearing, and these people were
10 promising that they were going to create 10,000 jobs,
11 \$50,000 a year and all these other things, and the
12 average driver now drives less than 20 hours a week,
13 and we have five times as many cars on the road.
14 We've missed something there. So, I hope we can do
15 better. Council Member Grodenchik.

16 COUNCIL MEMBER GRODENCHIK: Thank you. I
17 don't know what to call you. The Chair. Thank you,
18 Mr. Chair. Commissioner, this is an administration
19 that seems to enjoy regulating every aspect of life
20 in the city of New York including areas where many
21 mayors have failed to wander into before, and yet I
22 don't get a sense of urgency. I appreciate your
23 being here today, but, you know, I have many
24 constituents, my colleagues also have many
25 constituents who are in danger of losing their homes,

2 losing their livelihood. The value of medallions
3 have dropped nearly 90% depending on how you count,
4 but I don't see a sense of urgency here from the city
5 in rectifying this problem. I don't mean to suggest
6 that the city of New York should prop up the market
7 artificially, but I also don't mean to suggest that
8 we wring our hands, and say there's nothing that we
9 can do about it. And, I want to know whether or not—
10 I've—I've been reading the back page of your
11 testimony here, and I—I don't get a sense whether you
12 even support this legislation because you didn't
13 really answer the question.

14 COMMISSIONER JOSHI: I think we've said
15 we support the legislation as long as the Advisory
16 Board that is a consequence of the legislation
17 includes vital participants, and I think Chair
18 Rodriguez started out correctly in—in noting the ways
19 that we could expand it so that the drives and
20 medallion owners and lending institutions are part of
21 the conversation. We'd be happy to discuss with you
22 if there is a—a—an action that can be taken that can
23 quickly reverse things. That's something that we'd—
24 we'd love to discussion with you. Many of the quick
25 things, the deadlines that are upon people that are

2 crushing them are their bank loan deadlines, and
3 that—we've met with the banks. I've given them my
4 non-banking suggestion that they write off the loans,
5 and they let people borrow it at rates that—and sizes
6 that make sense for those borrowing, and given
7 today's market conditions because having a borrower
8 that can pay you something is better than having a
9 borrower that can't pay you anything. But I don't
10 have any jurisdiction over them, but I'm more than
11 happy to make my views known to them, and you have a
12 lot of owner-drivers that this is their life. So,
13 they do want to continue driver taxi. It's—it's
14 about the medallion's value, but it's also about
15 their profession, and that would allow them to
16 continue to do that.

17 COUNCIL MEMBER GRODENCHIK: There is
18 precedent not in the taxi and limousine industry, but
19 many years ago when I worked for former Borough
20 President Claire Shulman, she didn't have the
21 authority, but she worked out co-op and condo at the—
22 at the depths of the '80s and early '90s at the worst
23 of the co-op and condo crisis. The bank I can
24 remember, I believe the number was \$18 million at the
25 Bank of Tokyo alone ate on a loan on the Acropolis,

2 which I believe is either Costa Constantinides'
3 district or Jimmy Van Bramer's district. So there is
4 precedent for this.

5 COMMISSIONER JOSHI: That's heartening to
6 know.

7 COUNCIL MEMBER GRODENCHIK: What?

8 COMMISSIONER JOSHI: That is very
9 heartening to know.

10 COUNCIL MEMBER GRODENCHIK: And—and I will
11 tell you she had an absolutely—you could look through
12 the entire City Charter. You can hold it up to—to
13 the light. There is absolutely nothing granting the
14 Borough President of Queens the right to work out and
15 condo settlements, and yet she did and she saved the
16 apartments, the family homes of 20,000 families,
17 saving at least 50,000 people from being homeless.
18 And the best part of it was, we also saved them from—
19 they were still owed the money, their share of the
20 underlying mortgage. So, it would have been a total
21 disaster, and while maybe we can't do that here, but
22 I'm sure there are things that we can—we can do. The
23 thing that I really would like to hear progress on,
24 and I think is perhaps the best avenue in the amount
25 of time that I've spent studying this issues, is the

2 Access-A-Ride issues. I get a lot of complaints
3 about Access-A-Ride. My colleagues get a lot of
4 complaints about it, and sadly, we do not have that
5 oversight here that we would like to have over it
6 even though it affects New York City residents. So,
7 I think if we could marry the—the Yellow Cabs
8 especially and the Green Cabs, which are handicap
9 accessible to the clients the people that—that we're
10 elected to represent to those cabs, give them an app,
11 they might be even worthwhile to give them, you know,
12 a relatively cheap smart phone and teach them how to
13 use it just to get that ball rolling. So, I would
14 appreciate an update on that when you have more
15 information.

16 COMMISSIONER JOSHI: Sure, the MTA has
17 told us that they are looking to produce an app that
18 their customers can use, and as I—I mentioned before,
19 we've worked for over two years now, very closely
20 with the MTA to get them to integrate Yellow and
21 Green taxis into their Access-A-Ride program. So, we
22 were very happy that a few months ago they voted to
23 do a pilot allowing apps that you—that worked through
24 Yellow and Green Taxis to provide Access-A-Ride
25 rides, and that's now happening, and at least a

2 thousand a day, there's room to grow there. We know
3 that. I would think there's a lot of room to grow,
4 an I-[bell] I think it would be a wonderful thing,
5 you know, especially for the—it would be a wonderful
6 thing. It's a symbiotic relationship. It would be
7 great for the people who use Access-A-Ride. It would
8 also be great for the people who have invested their
9 hard earned dollars in the city of New York, the Taxi
10 Medallion.

11 COMMISSIONER JOSHI: That's our goal.

12 COUNCIL MEMBER GRODENCHIK: Thank you
13 very much, Commissioner. Thank you, Mr. Chair.

14 CHAIRPERSON RODRIGUEZ: Well, you heard
15 from my colleagues, and we will hear from the
16 medallion owners, and from the industry. This is a
17 crisis that is affecting our city. I remember when I
18 joined the Council in 2009, and we gave the briefing
19 for the budget, the line of revenue coming from the
20 Yellow Taxi was there in a large number. In the last
21 few years we are in zero when it comes to the revenue
22 that the city is able to collect because of the sale
23 of medallions. So, I think that, you know, this is
24 not only, you know, a crisis that is affecting those
25 6,000 individual medallion owners, they private

2 sector also who invest in the corporation, but this
3 is also the city is losing millions and millions of
4 dollars because we are not able to raise those
5 revenue, and those money are needed to keep expanding
6 or firehouse and throughout the school programs. So,
7 you know, this is—I just feel that we are against the
8 clock. Can we turn, you know, this crisis back? It
9 will require, you know, a lot. We have seen what is
10 happening in London, right? We've got to learn from
11 what is happening in the traditional taxi industry.
12 They're also being organized because they feel that
13 the way of how the other players came to the country
14 was not fair for the traditional ones, and that's
15 what I always will be advocating and working for to
16 level the playing field for everyone so that everyone
17 have—should have a fair shot in order to make their
18 living, get a return from the investors and get, be
19 able to keep their house to pay the mortgage. But,
20 you talk about that now the designation of Black Car
21 is something that is not there. I remember when I,
22 you know, when I used to work in this area washing
23 dishes in a full concert restaurant people who used
24 to work in the private sector, when the talk a Black
25 Car, the Black Car is the institution that we have

2 met with many of them. They have been for many a
3 family business, people being able to maintain bills,
4 they maintained the Black Car industry for
5 generations, but they use to have their accounts with
6 those companies that they provide the services to.
7 So, and that group is there. How many vehicles do
8 you think that we have right now in the city of New
9 York that are now traditional Black Car that they
10 provide the services based on agreement and we've,
11 you know, the providers and the client go in the Pink
12 Car because they have a bank account. Like how many
13 of those cars do we have available?

14 COMMISSIONER JOSHI: Is-is the question
15 how many vehicles do I think are doing app-base
16 trips?

17 CHAIRPERSON RODRIGUEZ: Yeah, well they-
18 as-as you say with the new Black Car that is not a
19 traditional Black Car.

20 COMMISSIONER JOSHI: Right, and the
21 definition for the Black Car in the Ad Code is-is
22 simply that they do 90% of their work non-cash. So,
23 I think we're at least 70,000 vehicles.

24 CHAIRPERSON RODRIGUEZ: [off mic] And
25 there is no limitation, right?

2 COMMISSIONER JOSHI: There's no
3 limitation.

4 CHAIRPERSON RODRIGUEZ: [off mic] And the
5 Black Limousines are limited right? (sic)

6 COMMISSIONER JOSHI: Yes.

7 CHAIRPERSON RODRIGUEZ: [off mic]

8 COMMISSIONER JOSHI: Yes.

9 CHAIRPERSON RODRIGUEZ: But those 30,000
10 or 100,000, they are also limited?

11 COMMISSIONER JOSHI: Correct.

12 CHAIRPERSON RODRIGUEZ: [on mic] Like-
13 like what is TLC doing on making—what is the
14 assessment that you have been able to make when it
15 comes to that reality that we're facing today?

16 COMMISSIONER JOSHI: Well, I think one
17 assessment, and I think this was—really came out of
18 our April hearing is with this kind of
19 oversaturation, it's harder and harder for drivers to
20 make a living. They're either not getting the amount
21 of work that they used to get in the past or with the
22 reduction in prices for passengers, they are also
23 seeing a reduction in prices and fares. So, that is
24 something that we're looking into in earnest because
25 on the Yellow Taxi side we do have protections for

2 drivers in terms of pay in the form a lease cap, but
3 the oversaturation of vehicles is surely having a
4 detrimental effect on the drivers that are in the
5 market today.

6 CHAIRPERSON RODRIGUEZ: But the
7 oversaturation [off mic] is only [on mic] is only
8 coming from one side of the industry.

9 COMMISSIONER JOSHI: It's the vehicle
10 for-hire sector.

11 CHAIRPERSON RODRIGUEZ: [interposing]
12 Because the Yellow they don't have—that don't have—
13 they don't have the flexibility.

14 COMMISSIONER JOSHI: Excuse me.

15 CHAIRPERSON RODRIGUEZ: I said the Yellow
16 Taxi industry they don't have any flexibility to add
17 an additional car because we by law, city and state
18 we're limited on the number of vehicles. However, we
19 don't have any cap on how many livery of Black Car we
20 are giving licenses today.

21 COMMISSIONER JOSHI: That's correct.

22 CHAIRPERSON RODRIGUEZ: And—and I hope
23 again that, you know, that we can address it. Do you
24 think that we should have a cap?

2 COMMISSIONER JOSHI: I—as I said to
3 Council Member Chin, it's important to make decisions
4 within information, and I think Council Member Chin
5 made a good point, you know, let's see where these
6 cars are operating. Are they operating in places
7 where there's already ample transportation? Are—are
8 they—are they operating in areas where they are also
9 competing with buses and other forms of public
10 transportation or are they operating in the outer
11 boroughs where we have transportation deserts and
12 they're vital parts to people's daily commute and
13 getting to social functions, and those kind of finer
14 questions I think need to be examined before there's
15 a decision made on what, if any action, you take
16 going forward. But, now that I've got a deadline
17 from Council Member Chin to have that information to
18 you in the next few months, I think we'll be in a
19 better position to—to see what the next move is.

20 CHAIRPERSON RODRIGUEZ: How many Yellow
21 Taxis are there already to provide services for
22 services for individuals with wheelchair?

23 COMMISSIONER JOSHI: Today, we have 1,800
24 Yellow Taxis that are accessible.

25 CHAIRPERSON RODRIGUEZ: How many Green?

2 COMMISSIONER JOSHI: We have [background
3 comment, pause] We have about 800 Green Taxis that
4 are accessible.

5 CHAIRPERSON RODRIGUEZ: How many permits
6 do you have for Green that you have not been able to
7 sell because there has not been a demand from the
8 market?

9 COMMISSIONER JOSHI: I'll have to get
10 that number for you, but we are on tranche 2. So we
11 have the whole third tranche. If you remember there
12 were 18,000 issued, and we've only gone through the
13 first one, and part of the second one. So, we have
14 more than half of them still available. Some of them
15 have come back so they're available again, and the
16 number 18,000 was set by state law. You know, I
17 don't know if it represents the market, but the fact
18 that we have only sold about half of them shows a
19 sort of decline in people's interest in that as an
20 investment.

21 CHAIRPERSON RODRIGUEZ: Many of these
22 questions are related to the role that I see the
23 Commission and playing the task force. I just want
24 for us to start thinking about those questions. How
25 can we incentivize those Green-potential Green Taxi

2 drivers that they can buy the permits? The sector of
3 the Yellow Taxi that they already can use a--an
4 accessible vehicle, but there's a market for Access-
5 A-Ride that is there, that is around half a million--
6 billion dollars. There's a need that the Black Car
7 is responsibility that they should have. Can we work
8 together to centralize the services, you know, for
9 individuals in wheelchairs to be able to say here we
10 have those three--additional 3,000 Green Taxis that
11 they can be available. There's another thousand of
12 vehicles from the Yellow Taxi industry, but can we
13 help to build that market, you know, by working with
14 the MTA and be able to make this group the central
15 core. I think that the focus now there is lesson
16 pilot projects, but is everyone trying to take a
17 piece?

18 COMMISSIONER JOSHI: No.

19 CHAIRPERSON RODRIGUEZ: [interposing]
20 Especially--

21 COMMISSIONER JOSHI: [interposing] for
22 the MTA Pilot Project?

23 CHAIRPERSON RODRIGUEZ: Yes.

24 COMMISSIONER JOSHI: There is one
25 participant and I believe in the near future there'll

2 be a second taxi participant. So, I—I think we'll
3 end up with two participants in the taxi sector.
4 It's open to FHV's, but there's been no FHV
5 participant yet.

6 CHAIRPERSON RODRIGUEZ: Is Uber part of
7 that pilot project?

8 COMMISSIONER JOSHI: Excuse me.

9 CHAIRPERSON RODRIGUEZ: Uber. Is Uber
10 part of that pilot project?

11 COMMISSIONER JOSHI: No, it's not.

12 CHAIRPERSON RODRIGUEZ: At no level?
13 They are not involved?

14 COMMISSIONER JOSHI: There—there is only
15 one company that is allowed to pilot it today and
16 that is the Curb App and VeriFone.

17 CHAIRPERSON RODRIGUEZ: Okay. I—again,
18 like, you know, you've being a partner in this
19 conversation, but I think again that we have failed,
20 I mean we the city like to this industry, and I think
21 is like the housing crisis. People buying housing in
22 Florida and other places then later on they find out
23 that they didn't have the—the real price value, and I
24 think that this is the time, this is the time for us.
25 Like for me, it's I don't get it, Commissioner. So

2 about--there's likely close to 100,000 new app
3 companies that they are not the traditional Black Car
4 industry that they have, you know, bank account
5 agreements with the institution that they're
6 representing the Black Car talking about those that
7 they are trying to get the passenger from the air--the
8 JFK and La Guardia. That they are waiting for that
9 market there. They are the ones who are also getting
10 the services in the Midtown area. Like when can we
11 have a plan to say this is zero tolerance, translate
12 it in action or enforcements against those [applause]
13 individuals you know taking the food away from those
14 people who invested hundred thousands of dollars, and
15 those drivers that as immigrant as we are, they rely
16 on that industry to say we can make a living. So,
17 you know, for me this is about this crisis is so big
18 we need to act, we have to come together, and I think
19 we have to send a message, and two many--like having
20 like open numbers of people getting new cars from
21 anybody else except Yellow Taxi-- I'm not saying
22 that we have to--don't making the numbers the same as
23 the other--as the other industry, but I think that we
24 have to have a limit on how many of those people or
25 how many cars those--a new company that now they call

2 it Black Car, but they're not and we have describe.
3 We have to come out with a definition of what the
4 Black Car industry is. So, but, you know, I hope
5 that we can work together with this and many others.
6 Do my colleagues have any other questions? Robert?

7 ROBERT: No.

8 CHAIRPERSON RODRIGUEZ: No. Thank you,
9 Commissioner.

10 COMMISSIONER JOSHI: Thank you very much.

11 CHAIRPERSON RODRIGUEZ: Yes. [background
12 comment, pause] We're going to be calling the first
13 two panels. This one is medallion owners, and the
14 second is—and please, the first group only if you own
15 a medallion come to this group. If you don't, don't
16 come to this group. Lucius Resio (sp?), Sergio
17 Cabrera, Carolyn Protz (sp?), Nino Cervius.

18 [background comment, pause]

19 CHAIRPERSON RODRIGUEZ: Okay, we're
20 going—we're putting the clock on three minutes.

21 SERGEANT-AT-ARMS: Quiet down, please.
22 Please quiet down.

23 CHAIRPERSON RODRIGUEZ: Just to be clear,
24 this panel is only, please, by medallion owners. If
25 you represent that industry, we're going to be

2 calling you in the next group. If you're sitting
3 there it's because you own a medallion. [Speaking
4 Spanish] I will be calling he next representative of
5 another group. This group is the medallion owners.
6 [background comment] I will—I will be calling the
7 next group. [pause] Okay, you're going to be having
8 three minutes. So, if you take longer, please
9 summarize. [off mic] Anyone can start.

10 CAROLYN PROTZ: Should we begin.

11 CHAIRPERSON RODRIGUEZ: Yes.

12 CAROLYN PROTZ: Okay. Good afternoon.

13 My name is Carolyn Protz, and I am an individual
14 medallion owner. I never thought in a million years
15 that I was going to have to come down to the City
16 Council and beg for my life, and the lives of my
17 colleagues, but indeed, that's what I'm here to do
18 today. Something that has been lost in the
19 discussion I think is that you, New York City
20 Government are our partners, and we being party of
21 New York City's public transportation system are your
22 partners, and being a partner does have certain
23 obligations. We follow the rules, and you protect
24 the franchise we purchased. This isn't a market. We
25 purchased the franchise. An entire cohort of citizens

2 of New York, the individual medallion owner and their
3 families, which amount to about 30,000 people have
4 been plucked out of the middle-class and plunked down
5 into the depths of poverty. You have the power and
6 indeed the duty to remedy this dire situation, and I
7 thank for this first step creating this task force to
8 raise and stabilize medallion values. To us the
9 medallion represents not some esoteric part of the
10 diversified portfolio of investment funds, but the
11 sum total of a man or working woman's life. In
12 remedying this situation, you will also help the city
13 to maintain the revenue stream, which we have
14 provided to the city, and you pointed out, over the
15 years. As Senator Everett Dirksen used to say, A
16 billion here and a billion there pretty soon you're
17 talking real money, and New York City has lost a lot
18 of money already. In addition to the \$2 billion in
19 lost medallion sales, there has been a loss of \$100
20 million in the last year due to lost fees including
21 MTA and tip fees. Before the Multi-National, multi-
22 billion dollar app company invasion, there were 3,800
23 for-hire vehicles licensed by the TLC. There are now
24 110,000. Commissioner Joshi has said that there will
25 be 35,000 more this year, and this has all occurred

2 without any environmental study. And let's face it,
3 no matter where these cars are, and I don't think you
4 need to do a study to tell you where they are,
5 they're all causing pollution and that's a tremendous
6 problem. Also, keep in mind that the demand for
7 rides is relatively static, and that is the crux of
8 the problem. There is simply more vehicles out there
9 chasing after the same number of passengers and
10 terrible traffic, lowering income for Black, Yellow,
11 Green and livery drivers and the value of the
12 franchise we purchased, the medallion. Think of it
13 this way: If there's a million trips a day, and
14 100,000 vehicles that's 10 trips a day per vehicle.
15 That's insane. A taxi is supposed to do about 60
16 trips a day. That's an efficient use of the vehicle.
17 Ten trips a day is not an efficient use. To Council
18 Member Miller who I see isn't here, he was talking
19 about safety. One of the consequences of having
20 110,000 vehicles out there is a tremendous increase
21 in crashes. Black Car crashes have gone from 500 a
22 month in 2014 to 2,800 a month in 2017. That's a
23 staggering increase of 426% in crashes, and let's
24 face it, that's mostly due to distracted driving.
25 App drivers have three of these and the GPS. They're

2 often inexperienced drivers. I'm sure that has
3 something to do with it. The Mayor, the City
4 Council, and DOT have all stated the goals of
5 decreasing congestion, pollution, accidents while
6 encouraging the use of public transportation. While
7 at the same time the TLC is pumping out a seemingly
8 unlimited number of for-hire vehicles. To someone
9 outside of government this seems insane, and it seems
10 like it's time for you to step up to the plate, and I
11 think that's what you want to do, and legislate
12 responsibly. We look forward to continuing the
13 conversation on how to accomplish the goal of
14 stabilizing the value of the medallion, so necessary
15 to New York City and to the working class immigrants
16 who put their trust in you to do the right thing.
17 Thank you.

18 CHAIRPERSON RODRIGUEZ: Thank you.

19 Before we continue, is anyone here from TLC?

20 [background comment] You know, I would like to for
21 my—for our staff at the Council to be sure that we
22 contact TLC and to let her know that we expected them
23 to leave someone here so that they can listen for the
24 testimony here. [applause]

25

2 SERGEANT-AT-ARMS: No, clapping. No
3 clapping, please. Just respect our signs.

4 SERGIO CABRERA: Good afternoon
5 Transportation Committee. Thank you for listening to
6 us. To Council Member Rodriguez and the whole
7 Transportation Committee, you've been a staunch
8 supporter since the beginning, since the original cap
9 was introduced, and if-if-if the-the-the times are
10 anything but telling, we can see that we were right
11 in trying to limit these taxis because now we've
12 created a situation where the nightmare has come
13 true. We're all at a race. We're all on a race to
14 the bottom. Our industry is in a free fall, and the
15 TLC has failed us. The TLC claims that they need
16 numbers, and they need data. They have all this. We
17 were doing 500,000 plus trips in 2012, 13,000 cabs
18 doing 500,000 trips. Right now, the FA believes the
19 app companies are doing about 300,00 rides, but they
20 have 70,000 vehicles. This number should give enough
21 data to say we don't need that vehicles on the road
22 period. As Council Member Grodenchik was saying
23 where is the urgency? This-the TLC has no urgency.
24 They've allowed this to fester and to become
25 something that's uncontrollable, and now they state

2 that they have no way of stopping it, and that's not
3 true. A simple swipe of the pen will control this
4 whole industry again. In 2012, we knew what Green
5 cabs—well, we knew what livery cabs. We knew what
6 Black Cars were. We knew what Yellow Cabs were.
7 Everyone had a purpose. This administration has just
8 allowed it to snowball into something that's not
9 understandable, and they use this as an excuse not to
10 act, and we need someone to take control. What's the
11 reason why all these numbers are—all these numbers
12 are off the board, they undercut. They TLC has never
13 allowed anyone to use meters and anything that's not
14 a traditional Yellow Cab and now the Green Cab, and
15 they have never allowed anyone to search price. When
16 you have these factors added to the whole equation,
17 it's an unfair, unregulated competitive advantage
18 that they have, and the Yellow Cabs have nowhere and
19 no one to run to. There's so much to talk about. I
20 hope that we as individual medallion owners are not
21 left out of the conversation for trying to get this
22 industry back to where it was. The number one thing
23 that we need to gain is confidence. The confidence
24 in our industry has been lost. The investor is not
25 there any more. The banks are not there any more,

2 and we need confidence to be brought back to the
3 table so that we can have a new generation of
4 investors and cab drivers and professional people to
5 take care of this city. Thank you.

6 CHAIRPERSON RODRIGUEZ: Thank you.

7 SERGEANT-AT-ARMS: Don't clap. Please
8 don't clap.

9 CHAIRPERSON RODRIGUEZ: Can-can you
10 repeat your name for the record?

11 SERGIO CABRERA: My name is Sergio
12 Cabrera.

13 CHAIRPERSON RODRIGUEZ: Go ahead.

14 MARCELINO CERVIUS: Chairperson Ydanis
15 Rodriguez, thank you very much for giving us this
16 opportunity. What I-I what I have seen and recently
17 throughout these last two years besides the
18 decimation of our industry, it is also the lack of
19 understanding of the two fundamental principles that
20 make the difference between a Yellow Car and FHV's.
21 The Yellow Car we do a street hail, but a street hail
22 is-is-is war that has the foundations, and the
23 foundations that give the meaning is service on
24 demand. We were the only ones giving that service on
25 demand-give our service-service on demand and no one

2 else, and those rights have been given away to this
3 new apps company right now, which are competing
4 against us and totally unfair. So, when the Taxi and
5 Limousine Commission recognized each hail as a pre-
6 arranged when, in fact, they are giving other men
7 service. I mean it's total--totally misleading to the
8 public and to you. That's the reason why I always
9 keep saying that. They were here to discuss, to
10 understand those principles. The next principle that
11 we have is the use of meters. Meters actually set
12 the fares by the Taxi and Limousine Commission does
13 not allow us to do any kind of surge price, and now
14 they--they have allowed the apps companies to use
15 virtual metes, which it was unthinkable back then,
16 and the reason why they didn't use it back then is
17 because the Taxi and Limousine Commission they do not
18 set the fares for FHV's. They cannot regulate them.
19 Therefore, they were never allowed to use it. They're
20 doing it now. Now, we are here discussing today--what
21 we are here are--the same values that--that New York
22 City goes along with. For the interest for the
23 people--I mean New York City values always preach that
24 the interest of the people comes before the interest
25 of multi-million dollar corporation. What--what we

2 are discussing goes along with Vision Zero also,
3 which is the primary mission of the government to
4 protect the people. Therefore, some traffic
5 congestions, many—much of pollutions is stopping
6 those machines and giving the same option of
7 transportation our disabled, it is the right thing to
8 do. There are still—there's urgency in our industry
9 right now where we see probably over a thousand
10 individual medallion owners, were sold medallions and
11 we need the option from you and from the Taxi
12 Commission to do something about it. Thank you very
13 much.

14 CHAIRPERSON RODRIGUEZ: [off mic] Tell us
15 what's your name.

16 MARCELINO CERVIUS: Marcelino Cervius
17 (sic), well known as Nino.

18 CHAIRPERSON RODRIGUEZ: Thanks.

19 GLORIA GUERRA: Good afternoon. My name
20 is Gloria G (sic). I'm here on behalf of all the
21 taxi medallion owners. I'm an individual owner. We
22 need to act now. I plead. We're going and we're
23 going down faster than ever now. As a medallion
24 owner, there's no one that wants to drive the Yellow
25 industry. Why would I—why would I even consider

2 buying medallion right now when I could do the same
3 type of work in a nice Black Car, and the
4 Commissioner said she needs the statistics. She just
5 has to walk out of her office, and she'll see Uber
6 all around. It doesn't take Einstein to see it. We
7 need action now, and if we don't get it now, this is
8 a disaster because right now time is against me and
9 my husband. We don't have any more time to waste.
10 They have to act now. They sold us a franchise, and
11 they better step up to the platter, and she could
12 stand here—why is Uber above the law? Uber could
13 change their prices. We can't change the prices.
14 Uber could buy whatever car they want. Uber doesn't
15 have to get a wheelchair accessibility? Why is Uber
16 above the law? Why? I want someone to answer that
17 to me. How can they come into this city and migrate
18 and take over? They didn't create any jobs. They
19 took our jobs, our hard earning blood. My husband
20 worked for 35 years. He doesn't have the energy to
21 do it any more. We should be retired. I shouldn't
22 be sitting here. I should be drinking Margarita in
23 Florida because I thought we did the right thing. We
24 paid, we played by the rules, we worked, we did
25 everything right, and now we're getting punished by

2 the City of New York because we trusted them. What
3 are we living in a Communist where they come and take
4 over all your stuff that you worked so hard for so
5 many years. This is not what American is. At least
6 that's not what my dad thought when he re-immigrated
7 here from Cuba. He said this is the land of the
8 dream, and I had a dream, and my dream has been taken
9 away, and I don't have any more time. I can't wait
10 for the Commissioner to think and do a statistic.
11 The statistics are right there in front of her. She
12 just doesn't want to see it, and she manipulates
13 every little question, but she said something that
14 got to me. She said every customer has the right to
15 take their first choice of cab. What did she just
16 say? The first choice of cab should be a Yellow Car,
17 not an Uber. That's all I have to say. Thank you so
18 much. [applause]

19 SERGEANT-AT-ARMS: No clapping please.
20 No clapping please.

21 CHAIRPERSON RODRIGUEZ: Thank you and—and
22 now we're going to be listening to all the voices,
23 and as we said before, we are committed to continue.
24 I will do my part to save this industry. So, if
25 you're ready to fight and organize and work together,

2 here you have an ally because I believe it is unfair.
3 You know, that we fail not only to those four of you,
4 but to the large numbers of hard working New Yorkers
5 also that believe in the same dream that Gloria has.
6 Thank you and I will call up the next group.

7 [applause] [background comment, pause]

8 CHAIRPERSON RODRIGUEZ: The next group
9 Ethan Gerber Pete Mazer, Arthur Goldstein, David
10 Pollack, Cassandra Perez. [background comment,
11 pause]

12 ETHAN GERBER: Thank you, Council Member.
13 I want to thank you, Council Member Rodriguez for
14 calling this very, very important hearing today. I
15 do want to address before I do in my prepared
16 remarks, just a couple of things the Commissioner did
17 say. One of the questions that was asked I think by
18 Council Member Greenfield was whether it's part of
19 the Charter and whether they—whether they were part
20 of her duty is to protect the medallion owner, and I
21 didn't really understand the answer. So, I quickly
22 ran outside, and Googled the City Charter, and the
23 TLC Rules, and in about 30 seconds I found that TLC
24 Rule 52-044. It says it's part of the TLC's duties
25 to establish and enforce standards to ensure all

2 licensees are and remain financially stable. It's
3 right there in the TLC Rules. My name is Ethan
4 Gerber. I'm an attorney with Abrams & Fensterman. I
5 represent many large taxi fleets and the individual
6 owners. I also own a few medallions myself. In
7 order to understand the medallion industry, you need
8 to go back in time a little bit. During the Great
9 Depression, any person with a car could be a cab
10 driver. Even though it was far harder to get a car
11 in the Depression than it is today, the streets were
12 flooded with cabs. Drivers fought each other for
13 fares. No one was able to earn a living. In 1937,
14 your predecessors created a medallion system. They
15 limited the number of medallions. This was done to
16 benefit the drivers and enabled them to earn a living.
17 As time went on, every once in a while the city would
18 increase the number of medallions, always conducting
19 a study to determine the economic environmental
20 impact more cars would have on the road. A few years
21 ago, this all changed. Technology and the TLC
22 allowed a hail to be done electronically rather than
23 them lifting a hand. The effect is the same. We had
24 streets flooded with 70,000 new vehicles. It's
25 important to note that a for-hire vehicle is not the

2 same as a passenger vehicle. When I commute to work
3 I take parked car, drive to work and park it. A for-
4 hire vehicle is on the road constantly. Some
5 estimates say that or one hire vehicle is the same as
6 30 private vehicles. The streets are flooded. Don't
7 take my word for it. You don't really need a study.
8 Go outside and count the vehicles with the letter T
9 at the beginning of their plate. These are for-hire
10 vehicles, and they are everywhere. Drivers can no
11 longer earn a living. Uber is not an efficient model
12 because in order to have a car within a few minutes,
13 there has to be literally tens of thousands of empty
14 vehicles on the road not earning a living. This
15 industry was created by this body. This body
16 together with the New York State Legislature
17 authorized the auctions of New York City medallions
18 and the New York City Taxi and Limousine Commission
19 promoted the sale of medallions giving out flyers,
20 handing out material, touting the great investment
21 potential to medallion taxicabs. Thousands of the
22 buyers of these cabs many relatively low-income
23 people many of them immigrants, trusted New York City
24 and invested in New York City [bell] by buying these
25 medallions. Over the last three years, these

2 trusting New Yorkers saw their life savings destroyed
3 while the City Council and TLC did nothing to help
4 them. The City sat while a gigantic multi-billion
5 California based conglomerate called these thousands
6 of owners a monopoly. While they willingly broke
7 laws all over the world, they labeled taxi owners a
8 cartel. Unfortunately, some here and many bought the
9 deluge of advertising and lobbying that allowed that
10 twisted message. So now that the Genie is out of the
11 bottle, what can we do? The New York City medallion
12 industry is the most regulated industry in New York.
13 The TLC tells us the price structure for our fares,
14 the lease structure for drivers, they dictate what
15 our contract must look like, even what vehicles we're
16 allowed to own. Uber and Lyft on the other hand, are
17 left to their own devices. The TLC requires half our
18 vehicles to be wheelchair accessible. There is no
19 such requirement for Uber and Lyft. We are required
20 to have ample parking so that our cars do not clog
21 every available parking space. There is no such
22 requirement for Uber and Lyft. We are required to
23 have partitions in our vehicle. Partitions stop the
24 communication between passenger and driver and
25 interfere with air conditioning flow. There is no

2 such requirement for Uber or Lyft. Our passengers
3 are required to pay a 50 cent surcharge for the MTA.
4 There is no such requirement for Uber or Lyft. We
5 were sold an exclusive right. We paid millions of
6 dollars for that right. We filled the city coffers
7 with billions from auctions. We employed thousands
8 of New Yorkers, not just drivers but dispatchers,
9 mechanics, office staff and others needed for New
10 York City brick and mortar companies. Now, these
11 rights are given away for free. If we do not have—if
12 we do have to compete for Uber or Lyft, let them have
13 the same standards as us. Either tighten their
14 regulations or loosen ours. Second, limit the number
15 of vehicles. There are too many on the road. Set a
16 cap. Not only is this good for industries and
17 congestion, it is essential for the environment.
18 Another thing that the city can do is promote the New
19 York City taxicab. We have wonderful apps. These
20 apps Curb and Hour (sic) make hailing a taxi as easy
21 as hailing or Lyft. We even have app Lacus that
22 saves drivers time and money by being able to get a
23 cab without going to a garage. The City has done
24 nothing to promote those apps. The tens of thousands
25 of individual owners cannot individually afford to

2 advertise especially now that many of them are forced
3 into bankruptcy. The city can do this. Members of
4 this Council, the city made a promise to medallion
5 owner and drivers: Spend your money, get this
6 exclusive right. You raised that money and that
7 exclusive right was given away. Now, is the time to
8 earn the trust of these hard working men and women
9 place in you, and backed up with their hard earned
10 money. Thank you.

11 CHAIRPERSON RODRIGUEZ: Before we hear
12 from the next person, I would like to acknowledge
13 that there is a representative here from the Mayor's
14 office. So, when we ask about TLC, they didn't raise
15 their hand, but there's someone from the Mayor's
16 sitting. [background comment]

17 PETER MAZER: Good after-good afternoon,
18 Council Member Rodriguez and members of the
19 Transportation Committee. My name is Peter Mazer,
20 and I'm General Counsel to the Metropolitan Taxicab
21 Board of Trade. We represent the owners and
22 operators of more than 5,500 licensed medallion
23 taxicabs. Thank you for holding this hearing today,
24 and giving me the opportunity to discuss the current
25 crisis in the medallion taxicab industry. Medallion

2 values have plummeted since 2013. Indeed, it is very
3 difficult to accurately determine the value of a
4 medallion now since there are very transactions and
5 virtually no financing available. But this is not
6 the first time medallion prices will fall
7 dramatically. Between 1998 and 2001, medallion
8 values fell by a third, primarily because there was a
9 lack of confidence in the health of the industry. At
10 the time, the city adopted a series of regulations to
11 improve service to customers and professionalize the
12 industry. These reforms included mandatory drug
13 testing, criminal background checks, and programs to
14 track drivers who committed multiple driving
15 offenses. Taxicab owners had new insurance
16 requirements, and mandatory retirement of vehicles.
17 Over time the industry embraced these changes,
18 service improved, and there was renewed confidence in
19 the health of the taxicab industry, which was
20 ultimately reflected in higher medallion values.
21 Medallion continued to rise until 2013, primarily
22 because of the confidence in the industry by owners
23 and drivers, and because lenders provided financing
24 for both purchase of medallions as well as
25 refinancing to further invest in the medallion

2 industry. This level of confidence has eroded over
3 the past four years. More individuals are licensed
4 by the TLC, but fewer of these individuals driving
5 Yellow Cabs. Medallions are now routinely placed in
6 storage by owners who were being foreclosed upon by
7 lenders. This never happened in the past. Ridership
8 is down and there is pessimism throughout all
9 segments of the industry, but there is also many
10 encouraging signs. While crashes involving Black
11 Cars have skyrocketed, Yellow Cabs have fewer crashes
12 per mile than just about any other form of
13 transportation. I submit that the TLC reforms have
14 worked to make taxis safer. Driving on-driving
15 driver earnings within the Yellow industry is still
16 healthy. Hour for hour taxicab drivers earn more
17 than other for-hire vehicles drivers, and despite
18 over 100,000 for-hire vehicles on the road versus
19 less than 14,000 Yellow Cabs, everyday more than
20 300,000 individuals still place their hands in the
21 air, walk to a hack stand or use an app to ride
22 Yellow. So, we have a lot to be proud of. The City
23 Council and the TLC has worked with this industry to
24 make necessary legal and regulatory changes, and we
25 applaud your efforts to support the taxicab industry.

2 I believe there are a few areas that we have not yet
3 tackled, and we look forward to working with you on
4 each one of these. One is vehicle choice. The
5 medallion industry is burdened with the expensive,
6 unreliable gas guzzling NV200 as the mandated vehicle
7 while for for-hire vehicles operators complacent to
8 serve as any vehicle their drivers and passengers
9 want. The City Council mandated a limited high
10 bidder option, but there needs to more done to
11 provide vehicle choice for the medallion industry.
12 Furthermore, it is the medallion industry that
13 provides the bulk of the city's demand responsive
14 accessible transportation, a responsibility that
15 should be shared with the rest of the industry.

16 Leasing Reform. The TLC regulates every
17 aspect of a lease between driver and owner of the
18 Yellow Cab, but no aspect of the arrangement between
19 FH owners and drivers. This allows for flexibility
20 because drivers and owners lack the legal authority
21 of the unfair reasonably leasing terms that best suit
22 their needs. We urge drivers, owners, regulators and
23 lawmakers to work together to make leasing more
24 affordable and provide drivers and owners with
25 greater flexibility to meet the needs of the

2 industry. We need to promote efficient vehicles and
3 congestion mitigation. Taxicabs average 20 to 30
4 trips a day. Other for-hire vehicles about four.
5 Yet, the number of taxicabs is fixed and burdened
6 with mandates that do little to improve service while
7 the lightly regulated for-hire industry continues to
8 increase by record numbers, and the number of
9 licensed for-hire vehicles bears no relationship to
10 the demand for service especially accessible service.
11 New and creative ways can be developed to promote the
12 use of vehicles that encourage the greatest number of
13 trips per vehicle, everything for more dedicated
14 areas from exclusive taxi pickups allowing taxicabs
15 to use bus lanes, and improve taxi flows, and
16 providing additional service and vehicles that have
17 demonstrated efficiency in providing large numbers of
18 trans-of passengers such as the bill you have
19 suggested that will be introduced in the next few
20 days. Fines imposed against those who ignore the law
21 and TLC rules should not merely be a cost of doing
22 business. All segments of the industry must obey all
23 of the laws and regulations, and that are in effect
24 or face serious consequences. Everyone must obey
25 traffic and public safety laws. Street hails should

2 not be permitted by vehicles not authorized to do so.
3 Anti hustling laws should be enforced against
4 unlicensed hustlers. Livery and Black Car bases
5 should comply with all regulations from off-street
6 parking and anti-nuisance laws for livery bases to
7 Attorney General requirements relating to franchises
8 and cooperatives for Black Car bases. No one should
9 be exempt from the requirements of law regulating
10 their industries. TPEP monitors every aspect of the
11 taxicab industry that there is no equivalent in the
12 for-hire sector. The taxicab industry has placed
13 nearly 2,000 accessible vehicles in service without
14 any consideration as to whether there's demand for
15 the service, whether these vehicles are suitable to
16 use as taxicabs, and where the drivers will operate
17 them. The other regulated industries of the for-hire
18 sector with the exception of street hail liveries
19 have made little or no commitment to accessibility.
20 The TLC has begun the process of reviewing this
21 issues.

22 Now, finally to address the bill. We
23 support the bill that's up for discussion today to
24 create the task-task force, but time is of the
25 essence. It's urgent that we take action. We need

2 to act now. A six-month period, we don't know if
3 this industry will be surviving in its present form
4 six months from now. We need action now. A task
5 force is a good first step, but we need to start
6 thinking today how we're going to do this, and I want
7 to thank you for giving me the opportunity to speak
8 today, allowing me to go over my three minutes, and
9 I'm happy to answer any questions that you may have.

10 DAVID POLLACK: What an honor to sit at-
11 on this panel and also to follow the owner-drivers.
12 Good morning, Chairman Rodriguez and Transportation
13 Committee members. My name is David Pollack, the
14 President of the Taxicab Service Association, known
15 as the TSA. Our membership consists of credit unions
16 who have been lending on the medallion asset and some
17 for many decades. The TSA has come to offer a
18 solution for stakeholders who have been abandoned.
19 Economics 101 shows that an industry dependent on
20 drivers becomes worthless without an abundant driving
21 work force. We have a solution that will solidify
22 the current workforce while enlisting new drivers to
23 driver wheelchair-accessible vehicles in New York
24 City thereby increasing medallions values. If you're
25 keeping score, three major New York City credit

2 unions have been placed into receivership caused by a
3 workforce shortage. That said, the more a driver can
4 earn while driving a medallions taxi, the more it's
5 worth because the asset is generating more income.
6 Our plan would assure an increase in driver earnings
7 with a minimal affect on the current FHV models.

8 Background: The great migration of
9 Yellow Cab drivers leaving to drive for app companies
10 began approximately four years ago with the
11 introduction of wheelchair-accessible vehicles known
12 as WAVs, as Yellow Cabs. [bell] Driving the Yellow
13 Cab became and unattractive job over three years ago
14 in these very chambers and at the Taxi and Limousine
15 Commission industry advocates warned that a
16 disruption and a devaluation of the New York City
17 taxi medallion would occur leaving stakeholder
18 abandoned and leading to thousands of New Yorkers
19 losing their small businesses with collateral
20 unemployment. Two years ago, we saw the introduction
21 of 963. Obviously, the formation of a medallion value
22 taskforce-taskforce is long overdue, and based on the
23 current financial situation with the medallion
24 industry, the TSA applauds this hearing, and supports
25 the taskforce. It should also be noted that during

2 that time, the TLC made regulation changes for the
3 benefit of the industry, but it is obviously not
4 enough. The budget predications on surcharges for
5 the Transportation Improvement Fund know as the TIF,
6 and the MTA have not met their goals due to this
7 disruption and at this time, there are approximately
8 800 medallions sitting idle in storage, and many
9 other wheelchair-accessible vehicles sitting without
10 drivers. Current vehicle inequality is not
11 sustainable in any way unless all segments of the New
12 York City transportation industry agree on a plan.
13 We mentioned 1,800 wheelchair-accessible medallions.
14 How many of those are in storage at the Taxi and
15 Limousine Commission? Here's a plan. It's a simple
16 plan. It's a logical plan. A surcharge on every app
17 fair earmarked specifically for the TIF. That will
18 allow the current 50-cent WAV driver incentive to be
19 increased to \$3.00 per fare instead of 50 cents. The
20 simple, but effective solution will stop the exit of
21 drivers from the Yellow sector and New York City can
22 rely on this WAV force to service all handicap
23 communities including Access-A-Ride. [bell]
24 Additionally, with the use of new driver technologies
25 like the Lacus driver's app, current Yellow drivers

2 can reserve a Yellow Cab minutes from their home and
3 start working without having to waste time driving to
4 work or driving in and out of Manhattan during rush
5 hours when everyone complains there's no Yellow Cabs.
6 Please count of the TSA for any financial input and
7 suggestions regarding this plan. I also urge you to
8 appoint Robert Familant the CEO of Progressive Credit
9 Union to fill the vacancy of medallion lender on this
10 task force. Thank you.

11 CHAIRPERSON RODRIGUEZ: [off mic] Thank
12 you.

13 CASSANDRA PEREZ: Good afternoon
14 committee. My name is Cassandra Perez. I'm with
15 Fulton St. John's on behalf of the Committee for Taxi
16 Safety, and we support the bills being introduced.
17 It's good that the Council wants to understand the
18 medallion values. It is, however, something that we
19 all already know. Taxis have been largely burdened
20 with regulations that don't apply to any other
21 segment in the for-hire industry. For example, we
22 are mandated into one car, the Nissan NV200,
23 otherwise known as the taxi of tomorrow. The car was
24 not originally designed to be an accessible vehicle,
25 the city nonetheless entered a settlement requiring

2 that half of all taxis have to become accessible by
3 2020. The car was also not designed to be fuel
4 efficiently as hybrid vehicles. The most popular
5 vehicle as a taxi the run-up to this program was the
6 Camry Hybrid. It is not accent that today Uber
7 stands a 70% of their vehicles as Camry Hybrids. It
8 is also the predominant vehicle in liveries on Black
9 Cars. The Camry Hybrid has proven to be good for the
10 environment, passengers and drivers as they don't
11 have to spend more and more money on gas. The city
12 made the wrong choice in the taxi of tomorrow by
13 picking a car that was not by original design
14 accessible or as fuel efficient as the Camry. This
15 failure has a direct correlation between the time
16 drivers started abandoning taxis for services like
17 Uber, which would give them the car of their choice
18 without restriction from the city of New York. Uber
19 existed with taxis for four years without any drivers
20 abandoning taxis for that service, and it was only
21 the advent of the Taxi of Tomorrow Program and the
22 accessibility program that literally drivers from
23 taxis to services that would give them the cars they
24 wanted. Medallions, if not on the road, and that are
25 fully financed now stand in storage at over 800

2 according to TLC data. Take into account that there
3 are hundreds of Taxi of Tomorrow sitting idle
4 everyday in New York City hoping drivers will take a
5 chance on driving a less fuel efficient car than
6 drive the hybrid of their choice, and yes there are
7 other attractions to drivers to drive other services.
8 But every full-time driver knows the best way to make
9 money is by driver a Yellow Taxi that is hybrid. By
10 denying justice on one segment and preventing them to
11 have choices, is not only going to plummet values of
12 medallions, but will keep the service from being on
13 the streets of New York. It is an iconic brand and a
14 product—and the product that is the fabric of New
15 York, a locally grown business that government and
16 industry doesn't play by any set of the rules but
17 their own and has caused jeopardy, too. Thank you
18 for your time.

19 CHAIRPERSON RODRIGUEZ: [off mic] Thank
20 you.

21 ARTHUR GOLDSTEIN: Arthur Goldstein with
22 the firm of Davidoff, Hutcher and Citron representing
23 the Taxicab Service Association. I don't have a
24 prepared statement. So, just a couple of comments.
25 Many of the faces that you see here in the panel and

2 a number in the audience came to Council members
3 years ago basically saying we're going to be here.
4 It took a few years, and there's been a lot of damage
5 done, as David just mentioned, three are of our
6 members are—the credit units are in conservatorships.
7 That's what we were saying this was going to lead to,
8 and so picking on what Peter said, we—we can't just
9 keep using the phrase, we need a level playing field.
10 Time is of the essence. We need to act now. This
11 task force is—is—is something we all favor, but when
12 are you going to pass it? How soon is it going to
13 have its first meeting? We need to go downstairs in
14 a conference room, and just work out the details. We
15 know all the issues. They've all laid it out very
16 well, which is why I knew I didn't have to have a
17 prepared statement. We need to act now. We know its
18 accessibility. The surcharge is probably the best
19 route to go on—on that. It's the allowing the Camry
20 Hybrid—the Hybrid Camry to—to give flexibility to—to
21 the industry, and you—yourself, Mr. Chairman, have
22 made a statement recently about the need for a cap.
23 We were calling for it when I think there were 13,000
24 vehicles or so, maybe 11 when we started, and now
25 we're at 66,000 or so. Black Car So, 70. Eric/

2 ERIC: That's 100,000 FHV's on the road
3 today according to the TLC website.

4 ARTHUR GOLDSTEIN: So, we are—we are well
5 beyond, you know, the point of return. Unless we
6 just get into a conference and say, this is the route
7 we're going to go. Draft the legislation within a
8 few days, and run with it. That's where we're at
9 this point because I don't know when I'll lose the
10 fourth lender. Thank you very much.

11 CHAIRPERSON RODRIGUEZ: [off mic] Thank
12 you.

13 ARTHUR GOLDSTEIN: We're open for
14 questions. [background comments]

15 CHAIRPERSON RODRIGUEZ: Council Member
16 Grodenchik. (sic)

17 COUNCIL MEMBER GRODENCHIK: Thank you,
18 Mr. Chairman, and this is for anybody, and I mean it
19 with all sincerity, how are you still in business
20 given everything that's happened to this industry. I
21 don't take that lightly at all, and I'm here today.
22 I'm not a member of the Transportation Committee, but
23 I have many, many people who live in my district who
24 have supported themselves driving Yellow Cab. So, I
25 was particularly alarmed by Mr. Mazer's comments on

2 the fact that if something is not done quickly,
3 within six months this—I don't want to put words in
4 your mouth, but it sounded as if you were suggesting
5 that this industry just wouldn't survive.

6 PETER MAZER: Well, there are elements of
7 this industry that won't survive. I'll just—since
8 you—it's alright. So, I'll lead—lead off. There are
9 people that won't survive. The industry as a whole,
10 we—we're here because we have confidence in this
11 industry, and we're optimistic. Otherwise, we
12 wouldn't be here. We'd all be doing something else
13 and give up on this. I for one said that there—there
14 —we had the time in this industry, and I've been
15 doing this for a long time. I've been in this
16 industry for 9—since 1987 and spent about the first
17 half of my life with the TLC and the second half of
18 my life fighting the TLC. [laughter] So, and now
19 not fighting the TLC as much, but maybe trying to
20 work together with the TLC to right the ship. But I
21 saw times back in the late—in the late '80s when
22 there was no confidence in this industry, and we
23 thought things were really bad. Then we did—then we
24 saw confidence in this industry and we saw a time of
25 growth and everybody felt good about it. We're here

2 because we do feel that there are good things about
3 this industry. The thing that I—the one thing that I
4 said today that I really believe that still sticks in
5 my mind is the most important about this industry is
6 everyday 300 to 350,000 people walk out on the street
7 and they raise their hand, and they want Yellow.
8 They don't want an Uber. They don't want Lyft. They
9 don't want anything else. They don't want an
10 unlicensed gypsy cab coming from Pennsylvania to pick
11 them up. They don't want a hustler at the airport.
12 They want a Yellow Cab, and they want a Yellow Cab
13 because they've come to realize that the Yellow Cabs
14 are provides safe, reliable service in this city.
15 So, we ae optimistic, and that's why we're here. We
16 don't think things are good. I'm not belittling it.
17 We—we—I had somebody come to my office the other day
18 owns two medallions; put \$600,000 cash. When they
19 bought the medallions in 2012, paid \$2 million for
20 it. You know \$1.4 million on a loan. The balloon
21 payment has now come due. They don't know what to do.
22 The two medallions are worth maybe \$400,000. They
23 have a house and the bank has said, you know, what,
24 we'll—we'll take your two medallions and we'll take
25 the house and we'll call it a day, and I don't know

2 what to tell them. I-I told them maybe go-go to a
3 bankruptcy lawyer or, you know, some other advice
4 because there's nothing to do, and now the \$600,000
5 that they put on the table five years ago that's
6 lost. The medallions that's lost. Now, they're
7 looking at maybe trying to save their house.

8 COUNCIL MEMBER GRODENCHIK: Yeah, I've--
9 I've heard those stories as well--

10 PETER MAZER: [interposing] Yeah.

11 COUNCIL MEMBER GRODENCHIK: --you know,
12 and it's-it's-it's, you know, when you're losing your
13 house, it's a big deal.

14 PETER MAZER: But on the other hand how do
15 you tell-how do you tell a lender? How do you get
16 confidence in this industry with lenders if you tell
17 them oh, we're going to forgive all the loans, and
18 then you're going to go to the bank and say Oh, I
19 want you to lend again, but, you know, if you don't--
20 if somebody doesn't it back, well are we going to
21 make-we'll just say forget about it? So, you-you-the
22 way you build confidence-you have to have confidence.
23 You have to give a lender a reason to lend. You have
24 to give someone a reason to stay in this industry,
25 and-and I think-

2 COUNCIL MEMBER GRODENCHIK: [interposing]

3 Well, we—we certainly I think it's become clear to me
4 today. Certainly it was clear already but much
5 clearer in focus that, you know, we need to level the
6 playing field. You know, when you play baseball, one
7 team gets three outs and then it's as if you're
8 giving the opposition six outs an inning. When I
9 coached Little League I told my kids when you make
10 errors and you give up, you allow the other team five
11 or six outs an inning you're going to lose, and—and
12 it's not really different here with the, you know,
13 with this industry. So, I think, you know, that we
14 certainly need to level the playing for everybody.

15 PETER MAZER: [interposing] The only
16 thing I would say on that point is to be very careful
17 on that. In some cities elsewhere, leveling the
18 playing field meant deregulating the entire taxicab
19 industry, opening up the market to everybody. We
20 kind of—we—we have a market now outside of New York
21 City, the governor signed a TNC bill, anybody in a
22 private car. Any place outside of the five boroughs
23 can take their private car and sign up with Uber and
24 Lyft as drivers.

25

2 COUNCIL MEMBER GRODENCHIK: Well, we have
3 a finite number of streets and a finite—you know, we
4 can't continue to load our streets up as we've been
5 doing with people prowling for fares. It's just not
6 going to work. Thank you, Mr. Chairman.

7 PETER MAZER: Thank you, Council Member.

8 CHAIRPERSON RODRIGUEZ: Thank you,
9 Council Member, and we are going to be working
10 together?

11 PETER MAZER: Yes, sir.

12 CHAIRPERSON RODRIGUEZ: In the, you know,
13 to be sure that we continue doing our part. You
14 know, since the first day chairing this Committee on
15 Transportation, we've been doing the best we can to
16 help this, and especially the Yellow Taxi industry.
17 You know, it's coming from someone that I used to be
18 a livery taxi driver, but I also know that, you know,
19 it doesn't matter the type of taxi that you drove,
20 you know, it was behind a wheel that allow me to say
21 save some money, and go to school daytime and be able
22 to graduate and becoming a teacher and being here
23 today. That should be the same dream opportunity of
24 any hard working people who are driving a taxi. So,
25 I know that we, you know, you've been dealing with a

2 tough time because those 70,000 new cars they are
3 not—they don't have to do the same investments. So,
4 whatever we can do, let's be sure that coordinate
5 together. Thank you. Now, we're calling the next
6 panel, and I'm going to say that calling for a
7 meeting the next month, and you're going to be
8 invited to that meeting, okay. Great. The next
9 panel, Edie Pres-Prentiss (sic), Nicole Epstein,
10 Nicolette Hent (sp?) Lucius Riccio, and Richard
11 Lipsky. [background comment, pause] We'll begin.

12 LUCIUS RICCIO: Good afternoon and thank
13 you, Mr. Chairman. I'm Lucius Riccio former New York
14 City Trans--

15 SERGEANT-AT-ARMS: [interposing] Keep it
16 down, please.

17 LUCIUS RICCIO: I'm Lucius Riccio, former
18 New York City Transportation Commissioner and MTA
19 Board member and now Professor at Columbia
20 University. Thank you for this opportunity to
21 address the committee. I have attached to my written
22 testimony, which you have. Also, my recent op-ed
23 opinion piece in Crane's New York Business. In that
24 article and during several TV appearances and radio
25 appearances I've made my opinion well know that I

2 believe several significant policy mistakes have been
3 made, which have led to our current unsustainable and
4 economically undesirable situation for surface
5 transportation in New York City particularly in
6 Manhattan. I want to thank you for initiating this
7 new inquire because we are in a moment of crisis, and
8 I'm taking a slightly different perspective. I'm the
9 transportation planning type. I want to take that
10 perspective, which I think supplements all the other
11 good things you've heard today. New York has limited
12 street space to provide a livable economically viable
13 environment. How it uses that street space is
14 essential to New York's future growth. Although New
15 York City has America's most extensive public
16 transportation network, a system critical to life in
17 our city, it also has the best regulated Yellow Taxi
18 system in America, a model for the country and for
19 big cities around the globe. It was created to
20 provide professional surface transportation services.
21 Before it was created over 80 years ago, surface
22 transportation was a wild west of vehicles and
23 drivers. We seem to have forgotten that purpose.
24 Instead have ushered in a new Wild West era. It was
25 created recognizing that due to our density and

2 limited street space not everyone can driver around
3 or be driven around. The Yellows were to serve as
4 the appropriate and exclusive alternative to the mass
5 transit system. Together these two systems have
6 enabled New York City to be the great city it truly
7 is. Black Car for-hire vehicles were created in the
8 late '70s to serve a very limited upscale clientele:
9 Wall Street Banks, law firms and special events. Two
10 major mistakes were made at that point, and this has
11 been pointed out before in other testimony. First, no
12 limitation was imposed on the number of FHV's that
13 would allow or would be allowed to operate. It was
14 assumed that the free market would regulate the
15 amount to an inconsequentially small number due to
16 their considerably higher charges. The other mistake
17 was that they were not charged an entry fee as the
18 Yellows had been, denying the city billions of
19 dollars of additional revenue. Years later, one more
20 crucial mistake was made. When the Blackberry was
21 invented around the Year 2000, I told the Yellow
22 industry that they—that that device would soon have a
23 picture of a cab, which would tapped would send a
24 signal to someone that someone wanted a cab and that
25 one would then be assigned to that person. The old

2 industry did nothing with that suggestion. Rather
3 than stealing the march just like Eastman Kodak
4 regarding digital cameras, they did not prepare for a
5 changing world. When Uber came along it represented
6 itself to be a new and exciting transportation
7 alternative. The media played it up that way,
8 investors threw money at it, and they still do, and
9 politicians sat idly by under the guise of free
10 market capitalism. In reality, Uber is just a car
11 and a driver. From a transportation standpoint
12 nothing is new, but from a customer service
13 standpoint the apps seemed revolutionary. That along
14 with the investor and government subsidized lower
15 charges made Uber look like the next big thing.
16 Those mistake and the media puffed misguided illusion
17 resulted in this out of control situation we now
18 face. The new for-hire vehicles Uber and Lyft get
19 via are not-to use a chic term, disrupting our
20 central transportation systems, which New York City
21 desperately needs, but are to a real extent
22 destroying them by creating congestion for buses,
23 truck and emergency vehicles. Bruce Shallow's
24 excellent report documents the unsustainability,
25 unregulated and unlimited policy currently in effect.

2 Congestion is at an all time high and getting worse.
3 Air quality is getting worse from the addition of
4 tens of thousands of vehicles we don't need on the
5 road. MTA ridership is being affected threatening the
6 long-term viability of that critical asset. You, Mr.
7 Chairman, have the opportunity to stop-start the
8 process to correct all that. In addition, the city
9 has lost out on billions of dollars of revenue, which
10 could have been used for public infrastructure. The
11 failure to charge a medallion entry fee and the
12 failure to charge the 50 cent MTA fee, has cost the
13 city billions of additional dollars the MTA so
14 obviously needs. The committee needs to consider
15 instituting such fees. I should also
16 mention the city was making real progress for Yellow
17 to provide an alternate for disabled. These new for-
18 hire vehicles have provided little, if any, with that
19 community. I find it unconscionable that nothing is
20 being done to recognize the contribution to the
21 Yellow industry. As for the medallion owners, the
22 city has violated the medallion contract. Each
23 medallion came with the exclusive right to the
24 unplanned, non-prearranged spontaneous ride demand.
25 This contract was formally reinforced at least twice.

2 First, when Black Cars were created, regulations and
3 enforcement policies were put in place to keep them
4 from poaching rides from Yellow Cabs. Second, the
5 contract was reaffirmed particularly for the
6 lucrative Mid-Manhattan market with the creation of
7 the Green Cabs. The city took people's money when
8 medallions were purchased. That money was not a gift
9 to the city. It was a contract, a contract for the
10 exclusive right to those rides. The city has in my
11 mind the obligation to hold that contract or return
12 that money plus damages back to the medallion owners.
13 I hope the courts would support such an obvious
14 conclusion or at least for the city to adopt a fair
15 policy. I recognize that the Chairman and this
16 committee has said today that they also feel very
17 strongly about such concerns. Now, if such a policy
18 was considered because we have an untenable
19 situation, let me make my suggestions. First,
20 establish a for-hire vehicle baseline number, grant
21 grandfather status to all base affiliated for-hire
22 vehicles registered with the TLC as of say 2008 or
23 2010, and exempt them from new fees and limitations.
24 I think that would be fair to them. Second, all new
25 for-hire vehicles since then operating as e-hail

2 pickup in a Manhattan zone must either pay a flat fee
3 of say \$10,000 per year or a pick-up fee of \$5 per
4 year by up to—or per ride; \$5 per ride with 50 cents
5 going to the MTA and the rest to the city. They must
6 register to operate as such and provide all digital
7 and financial data. Fines for non-registered for-
8 hire vehicles picking up in Manhattan should be set
9 at a very high level, say \$25,000. Third, the number
10 of for-hire vehicles allowed to register for E-hail
11 in Manhattan would be limited to the number of sold
12 Yellow medallions. If the city wants more for-hire
13 vehicles to operate a medallion as E-hail vehicles,
14 they must first sell additional medallions. That
15 limit then would be about 13,587 at this point. I
16 offer these suggestions in an attempt to correct the
17 mess we are in now. As the city grows--and that's
18 what we want for our city—it will depend more and
19 more on smart transportation policy and
20 infrastructure decisions. I congratulate you, Mr.
21 Chairman and this committee the urgency of these
22 matters. Thank you.

23 NICOLE EPSTEIN: Hi. My name is Nicole
24 Epstein. I'm here on behalf of NYETA, New Yorkers
25 for Equal Transportation Access. It's a coalition of

2 immigrant medallion owners along with disability
3 right advocates. So, you know, I want to just start
4 this off with we all know that Uber is the taxi-free
5 taxi company. Every single new policy or regulation
6 that the TLC has come up with or the City Council has
7 come up with is based on the idea that Uber owns no
8 vehicles. You can't mandate accessible requirements
9 because these are people's cars, you know, everyday
10 cars. It's your mom going to a soccer game, you
11 know, bringing her kids using her mini-van or
12 whatever it may be. These aren't cars that are in
13 constant circulation and Commission Joshi kind of
14 touched on this. Oh, we lowered inspection mandates.
15 We took out Black Car retirement because of this.
16 Well, I want to give you guys a little fact that
17 hasn't really been discussed, and that's that Uber
18 owns a whole fleet of vehicles. Is there any wonder
19 why every single, you know, car that's on the road is
20 the same. That's a TL, you know, TLC for-hire
21 vehicles. It's all the same. I can assure that it's
22 not because everyone has the same taste in a car.
23 That's not the reason. Because Uber owns a fleet of
24 vehicles. In fact, not only do they own a fleet of
25 vehicles, they're forcing the new Uber drivers to

2 subprime loan agreements to use their vehicles that
3 they're recycling over and over again. Do an easy
4 Google search. You'll see that all these new
5 vehicles, the Uber driving like car brakes don't
6 work. I can't—they want me to pay \$500 a week for
7 this rental to Uber to use Uber's car, \$500 a week
8 and then Uber takes the payment directly out of their
9 Uber earnings every week. Do you want to tell me
10 Uber doesn't own a car? Do you want to say we can't
11 enforce accessibility requirements? We can't enforce
12 TPEP requirements for the safety of New York citizens
13 because Uber doesn't own a car? There's so many,
14 and a simple Google search will you that the owner of
15 these cars and not only do they own them, they place
16 tracking devices in their vehicles because when their
17 Uber drivers aren't making \$500 a eek to pay for
18 these cars, what happens? A little alarm sound goes
19 off. Uber comes, take the vehicle back, repossesses
20 the car and damages and totally ruins these people's
21 credit. They say okay—they're very smart—who needs
22 vehicles? Who needs the jobs? It's a lot
23 immigrants—the same exact thing. It's a lot of
24 immigrants, a lot of people are like yeah, this
25 sounds good. Oh, I'll sign this agreement with Uber,

2 pay 500 bucks a week and then driver for Uber to take
3 all my money. They slash their fares, increase their
4 commission, and short change their drivers. They
5 have created the modern day slavery and New York City
6 is reducing the regulations for them. These cars
7 have-aren't working. They're not safe. We don't
8 have any tracking devices, and then we say oh, we
9 can't regulate them. These are people's individual
10 vehicles. It's a different industry. [bell] It's a
11 total fiction. It's a lie and this is where it needs
12 to start. This is where the playing field will get
13 even. Once that myth is debunked then we can move
14 forward, and my testimony has a lot more facts in
15 there. I'm willing to meet with you and talk about
16 this more.

17 EDITH PRENTISS: I think we have to
18 first- My name is Edith Prentiss. I'm the Chair of
19 Taxis for All Campaign. I think we need to start
20 with the fact that when Uber came into New York the
21 TLC was barely enforcing the then fore hire vehicle
22 equivalent service contracts, and the situation has
23 gotten ridiculously worse. I remember sitting
24 through Lyft hearings, which were hysterical. I mean
25 a judge simply said these are the rules of New York

2 City. This is the way it's going to be. Do you want
3 to have the taxis in New York City? This is what
4 you're going to do. We started talking about the
5 level playing field. I question whether we're part
6 of that. Obviously people with disabilities are
7 people who need accessible vehicles are not part of
8 that. In fact the MTA Access-A-Ride Pilot Program
9 only includes 10% of accessible vehicles while 28% of
10 the population who use Access-A-Ride require
11 accessible vehicles. I see a big gap there. The-the
12 MTA and Access-A-Ride have been discussing this pilot
13 program. It seems probably since the beginning of
14 Access-A-Ride. I do exaggerate, but we've been
15 discussing this pilot, and we're still in a pilot and
16 we're on probably the third or fourth pilot. How
17 much longer is it going to take getting rid of the
18 big white buses and moving to accessible and
19 inaccessible vehicles? There are lots of
20 inaccessible vehicles in Access-A-Ride. You really
21 should know that. It will make a tremendous change.
22 The incredible amount of money the MTA spends on
23 Access-A-Ride would be cut tremendously. At present
24 Access-A-Ride calculates the cost of a trip. Their
25 contracts about \$65 a trip. The proposed contract

2 with taxis is approximately 30. Many individuals
3 cannot afford to pay for taxis, and this would be a
4 tremendous change. I recently paid \$80 from 2
5 Broadway to Washington Heights; \$50 from Grand
6 Central; \$36 from 23rd Street to 150th Street. [bell]
7 We need a major change. We need the inclusion of
8 people with disabilities. I was—it's very
9 uncomfortable because I'm made to feel like we're the
10 cause of the problem. I'm sorry. There was a
11 settlement, the city accepted it. It's 50%. They
12 have to now figure out a way to make parity not try
13 to take service away from the disability community.
14 Thank you.

15 CHAIRPERSON RODRIGUEZ: Thank you.

16 NICOLAI HENT: [off mic] Hello. [on mic]
17 Hello. My name is Nicolai Hent (sp?). I am a cab
18 driver for 30 years. I will have 30 years in
19 January. I am an immigrant, a legal immigrant, and
20 I'm proud and I'm proud—I'm proud to be. I am a
21 medallion owner since 1990. City government took my
22 money for exclusive rights, and now they take my
23 bread away. In other words, exactly how you go to
24 the ATM machines and they wait outside and take your
25 money. When I lose, City of New York lose in

2 revenue. For example, in the year 2011, I paid for
3 the New York City \$3,231.50, to MTA. In 2016, I paid
4 for the New York City \$2,240 and ATM machine. It's a
5 thousand dollars less, and in 2016, I didn't want
6 duplication I took 2011. I as-as an owner I heard
7 the TLC Chairman saying they wanted something to
8 level the playing field. The TLC also—the Chairman
9 said she doesn't have the jurisdiction. New York
10 City government should have the jurisdiction. Not
11 New York State, not a legislature from Utica, or
12 Rochester, we New York City Legislature should take
13 action for this. We make the law for New York City,
14 not Governor Cuomo, or Attorney General Schneiderman,
15 which is supposed to watch the governor in Albany
16 because Sheldon Silver, the Speaker, is convicted.
17 Rick Keller (sic), the same. Why is Governor Cuomo
18 not? Because the three of them make the deals all
19 the time. Before Governor Cuomo his father was a
20 governor, and his Speaker of the House was also
21 convicted, too, Mel Miller. Now, you want to level
22 the playing field, you want to all the apps that work
23 in New York City, come up with the money. Come up
24 with \$10,000 a year or \$15,000 a year just like I did
25 You want to level the playing field, make the

2 medallion, \$13,500 some of these medallions, \$13,500
3 for 87 apps. You—I cannot compete with somebody,
4 which has free license and they have to pay a lot of
5 money for that. It's impossible. I like
6 competition. Competition is good for consumers, but
7 it has to be fair and square. Other things is save
8 the congestion by limiting cars and enforcement.
9 That's what I have to say for now. I hope in the
10 future I—I can prove more. [bell] Thank you.
11 [background comments]

12 RICHARD LIPSKY: Good afternoon, Chair.
13 I feel like Zsa seventh husband. I know what to do,
14 but how do you make it interesting. We are here
15 today and listening to Chari Joshi. I'm reminded of
16 the old story of the man who fell out of the twelfth
17 story window. When he got past the third floor,
18 someone looked out and said, "How you doing" and he
19 said so far so good. [laughter] We're almost there
20 at the bottom, Mr. Chair, but I want to explode one
21 major-major myth, and that's the canard that these
22 people in this room are afraid of competition. That
23 they're being put out because they can't compete.
24 That is the biggest lie I have ever heard. For 35
25 years I've represented immigrant business people in

2 this city, whether it's super market owners, whether
3 it's bodega owners, whether it's Hispanic beer
4 distributors, all against big government and big
5 business, and they were never afraid to compete.
6 But, what they didn't want was is when the government
7 put their thumb on the scale, when the government
8 made rules to affect their businesses, but not the
9 big businesses. That's what's happened here today.
10 They myth is that they can't compete, but the reality
11 is, Mr. Chair, that it is the City of New York that
12 has been the culprit in all of the failures of this
13 industry. The City of New York created a franchise.
14 The City of New York, and I think in the private
15 sector it's called fraud in the inducement. The City
16 of New York created a franchise and said, you got
17 nothing to worry about. We got your back, and as my
18 friend Nino Harrera (sp?), when we turned around and
19 looked at our back, we saw the knife sticking into.
20 You can't create a system of rules and regulations
21 and Council Member Grodenchik made a good point with
22 the Little League. When you have rule based system,
23 you have referees, whether they're regulators or
24 they're elected officials. Now, sometimes as Barry
25 knows, you try to work the refs to get a better deal,

2 but in this case someone else has worked the reps
3 pretty damn good and it ain't us. Now, I've seen my
4 friend and colleague Arthur Goldstein has been
5 lobbying for 25 years. A good lobbyist and my friend
6 Brad Gershman is another good lobbyist. I've been
7 lobbying for 30 years. I've never seen an issue like
8 this. [bell] It's an issue where, and in all my
9 other fights, Walmart, Pathmart, Budweiser, whatever
10 it was, we always had elected officials to watch our
11 back. Now, they're missing in action. This is the
12 first time, Mr. Chair, and you are to be credited for
13 putting this hearing together. [applause] We are—and
14 Council Member Grodenchik, Council Member Chin,
15 Council Member Daneek Miller, Council Member
16 Greenfield thank you. Shout out to all of you, but
17 now the only thing missing here is will. I used to
18 tell my kids all the time you have to be a pessimist
19 of intellect, but an optimist of will. We have only
20 been missing will and leadership, and now we need to
21 do that right away before anything else bad happens.
22 What we've seen over the last two years someone has
23 had a thumb on the scale, and that has to be looked
24 at. Take the thumb off the scale, assume the mantle

2 of leadership. If you do, this industry will survive
3 and grow and prosper. Thank you.

4 CHAIRPERSON RODRIGUEZ: Thank you and as
5 I said to the previous panel, we will continue this
6 conversation. I got to say that it's not only—this
7 is not the first hearing. For the last three years
8 we've been in the middle of this fight, but sometimes
9 we are not—we are not the only players in the field.
10 You know, the opposition to, you know, to level the
11 playing field they've been investing millions of the
12 dollars in the past, you know, going after, using the
13 media. And we were—that person was one of those who
14 they went after. When we were trying, the bill to
15 cap is my bill. The bill to increase the surcharge
16 is my bill together with Council Member Greenfield. I
17 believe it is also the time for the 6,000 medallion
18 owners to come together and organize. I and I
19 challenge, you know, that sector, too. We've been
20 trying to do the best we can, but we also have
21 limitations. Yes, in the last couple of months also
22 had a whole discussion move to Albany, and they have
23 been, you know, a lot investing—investment when it
24 come to, you know, tried to, you know, put things in
25 place that only benefit one sector. So, I will

2 continuing on hearings here. Council Member
3 Grodenchik, too. We will continue doing the best we
4 can, but we also need your support. We also need you
5 to be organized to move, you know, take this fight to
6 another level because, you know, you are the voice of
7 the voiceless. There's other thousand of people
8 sometimes they lose hope, and they believe that there
9 is nothing we can do right now, but I believe it is
10 possible to do it. Thank you. I'm calling the next
11 panel. So, Condor Seaman, Mike Simon [background
12 comments] Osterman Kalluri (sp?), and Oscar Thang
13 (sp?) Bernardo Soloreno (sp?). [background comments,
14 pause] This is the last panel. So, if I missed
15 anybody else who filled out your paper to testify,
16 please let us know, but this is the last panel that
17 we have today. You may begin. [pause]

18 MICHAEL SIMON: Hello. Dear Council Men
19 and Women, a lot of the things I'm going to say were
20 already said, but it probably should be said again,
21 and I'm sure it should be said again because there's
22 a wrong that's being done. And I feel a little bit
23 like-like guilty here or something. I'm not-I'm here
24 to take something back that was taken from me. You
25 know, I mean we're here seeming like asking you for

2 something, but this was ours. This was taken from us
3 like land is taken from us or something that was ours
4 that is taken from us. So, I feel like I want to
5 speak and in a way that's—that's—that says, hey, I've
6 been wronged. They took something from me, something
7 that I've been doing for 40 years, and—and it's not
8 right. It's not fair, and—and what—what do I do?
9 You—you asked us to be organized. What do I do, Mr.
10 Rodriguez? What do I do as an individual? I don't—I
11 said before at a—at a different hearing, I don't have
12 research and development department. I'm not a big
13 company, you know, I—I just run cabs, and—and, you
14 know, I'm here, and I'm trying to do something by
15 speaking, but, you know, we have to—we have to—
16 there's a wrong that's being done and, you know, I'm
17 going to try hard to do my best to—to correct that
18 wrong, but it's a fight because something was taken
19 away. What I bought, they gave away for noth—for
20 nothing. That's like—that's like, you know, somebody
21 asking you to pay for something and then the next
22 person comes along and they give that same thing away
23 for free. This just doesn't make sense, and how do
24 you think about that? What—how do you feel about
25 that? What do you think about the person who did

2 that? Why did you do that? So, you know, I have a
3 written transcript that I'm going to read, but
4 basically my feelings are like something was wrong
5 here. You know, like something—a crime was
6 committed, a wrong was being committed, and it has to
7 be corrected, and then if it's not correct, it's
8 going to get correct because the wrongs will not be
9 able to be wrong. Just like I mean the Indians they
10 took—they—they broke the treaties with the Indians.
11 We were—we're not like—it's not like anybody was
12 killed in our industry or anything like that, but
13 that was a wrong, and that never went away. Hundreds
14 of years later it never went away. This will never
15 go away. You can't take something from somebody in
16 America, and—and get away with it. You can't do it.
17 So, here's—here's what I wrote. Low medallion value
18 basically is due to the city not having our back.
19 Why was the medallion secure? Because you protected
20 us. No one wanted to mess with the big apple. [bell]
21 The rights that medallion owners bought were meant to
22 provide a financial benefit to its owner. Uber rides
23 and you let our exclusive slide. I have heard now
24 that it's instantaneous and anonymous. I try hard to
25 figure out what that is. Sometimes when a person is

2 on the street they wait for a few minutes for a taxi.
3 That's not instantaneous. Yes, we don't know who the
4 driver is when we hail a cab, but we do know that
5 he's appropriately licensed, and maybe in the future
6 it won't be anonymous. Maybe your-your phone will
7 tell you who the driver is. The taxis are dying
8 because the TLC claims there's new technology, and we
9 are of the old world. This is an excuse for wanting
10 the Black Car apps to function. The technology is
11 just a new way to hail, and when we bought our
12 rights, we bought for future circumstances just such
13 as this. That's why it says in the law, and I quote:
14 "Now and in the future." Are Yellow Cabs supposed to
15 compete with every car manufacturer in the future
16 producing vehicles that will be used as New York City
17 Taxicabs through E-Hail? And we have no way out?
18 Owners are forced to drive while the value of their
19 medallion is worth less than what they owe. What do
20 we expect them to do? They can't stop driving, and
21 they can't lease the medallion. They can't find
22 drivers. The current puzzle of FHV and taxis
23 existing together have created tension and depression
24 for taxi owners, an untenable work situation where
25 drivers and owner-drivers feel humiliated. When

2 people pass them by and wait for Uber. We feel what
3 right do they have? They didn't have to buy a
4 medallion, and yet they do the same thing. It is
5 degrading that hurts us competitively not to mention
6 the overhead costs of financing and paying it off,
7 not even knowing whether it's worth anything or not.
8 Why would anyone buy anything when they can get the
9 same thing for free? It's downright nasty and weird.
10 The current CEO of Uber and I quote from the New York
11 Times: "It's critical that we act with integrity in
12 everything we do, and learn how to be a better
13 partners to every city we operate in." If that's the
14 case, then why shouldn't they be trying to—why should
15 they be trying to crush a service to New York City
16 that is as important as the Yellow Cab?

17 CHAIRPERSON RODRIGUEZ: Sorry. Please
18 summarize.

19 MALE SPEAKER: Okay. [pause] One thing
20 I know, unlike Uber, Yellows are not going to get up
21 one morning and tell you they are leaving. We are
22 New York. Isn't that in itself a reason to treat us
23 differently and specially? Thank you.

24 Can you hear me? Thank you, Council,
25 fore being here today. This is a kind of 911 call to

2 the City of New York regarding the protection to my
3 industry. I am one of the 6,000 people you mentioned
4 before not to mention also another 3,000 people who
5 owns two taxis instead of one that is usually called
6 mini-fleets.

7 CHAIRPERSON RODRIGUEZ: Please say your
8 name for the record?

9 BERNARDO JASON MORENO: Thank you. My
10 name is Bernardo Jason Moreno.

11 CHAIRPERSON RODRIGUEZ: Yeah, can you say
12 your name?

13 MICHAEL SIMON: Michael Simon.

14 CHAIRPERSON RODRIGUEZ: Okay.

15 BERNARDO JASON MORENO: My taxi—my cab
16 license with the number 412, which is basically I had
17 a license for a cab for more than 32 years. So, I
18 know something about the industry. To me today, my
19 risk is not over. I'm in fear of Lyft. Our biggest
20 enemy by far is the New York City Taxi and Limousine
21 Commission. I noticed when Council Member Greenfield
22 was asking the TLC Chairwoman sitting here where I'm
23 sitting now about the way that she can—what she can
24 do to defend the industry to protect the value of my
25 medallion, and she was just flying with the answer.

2 There was nothing that she now said about any plan
3 about what to do to prevent a medallion value to be
4 lowering. Today, we are talking about the price of
5 the medallion maybe 15% of the value of yes at the
6 top time, and as I said, this is a 911 call. We need
7 to do something very important. One of the few
8 things you need to do in the next three weeks if
9 possible somebody had to make the proposal, somebody
10 in the queue for example have to make a proposal to
11 the City of New York is to drop the 50 cents to the
12 MTA. MTA does not need \$60 billion a year or \$80
13 million a year from the taxi industry. They have \$70
14 or \$80,000 Uber guys, and they don't pay nothing.
15 They've never requested one penny from them because
16 they jut don't need the money. Very simple. If they
17 don't need the money from Uber, they don't need the
18 money from us. So, one of the few things is drop the
19 50 cents. Another thing very important, Uber is
20 allowed to charge \$10 from somebody when a passenger
21 declines a call, which in order you get Uber, you go
22 to the street to flag down with a circle like this,
23 and taxicab who is empty, you cannot take it because
24 if you want to take the Yellow Cab, you got to pay
25 \$10 fine to Uber. That should be dropped, and that

2 was approved at the New York City Taxi and Limousine
3 Commission. Okay, basically, I want to say also that
4 in the year 2003, Council Member John Liu had to pass
5 Local Law No. 60 of the year 2003. That law was to
6 remain something called D-A-B. For those people who
7 doesn't know what D-A-B means, it's the Drivers'
8 Advisory Board that's supposed to have been created
9 in the Year 2003. It was never created because the
10 Taxi and Limousine Commission never pushed for that.
11 Guess what? In the year 2013, Mr. Allen Fromburg
12 (sp?), he knows very well. He was sitting next to me
13 on the third row. Somebody, some commission decided
14 to dissolve the D-A-B that was never created. Okay.
15 So now we have not voice. So, we have to thank you
16 for calling us here today to say something to you
17 because we cannot say things as a D-A-B. Thank you,
18 Council. [background comments]

19 MALE SPEAKER: Good afternoon, Council
20 Members and Chair Rodriguez, and especially for—a
21 special thanks to you, and Barry Grodenchik. I
22 salute you guys. I'm amazed that we are here today.

23 CHAIRPERSON RODRIGUEZ: [interposing] Say
24 your name, too.

2 SETH ANDERSON: Seth—Seth Anderson (sic),
3 and I'm an owner and also I belong to TMOA, Taxi
4 Medallion Owner Association.

5 CHAIRPERSON RODRIGUEZ: Thank you.

6 SETH ANDERSON: I heard many times like
7 the first thing let's go to battle especially when
8 you put shares in a medallion. We put shares in
9 hailing—the street hail right, and we paid millions
10 of it. It means we spend to pick up, that's only
11 owns, the medallion owner who paid millions to the
12 city and the TLC. We understand the pickup means if
13 a person is ready to—out to have a ride, and there's
14 a cab for him. When they made that law there was no
15 technology, sir. That's a—you raise your hand and go
16 in the street, and here's a cab, and that's your
17 right. When the technology came, they should have
18 amend the law. Where's my rides there? If who—who
19 doesn't have a phone? What you see in the street
20 when you raise your hand a taxicab and the driver in
21 it. When you see hail, the same thing, but I paid
22 millions. Those—those people who have that right is
23 being stolen from us, and paid nothing, and they're
24 doing the same thing like we do. How do we compete
25 with the 70,000 cabs doing the same thing? What are

2 we doing? What do we pay for it? There's—there's no
3 law for them, and the person sitting home why he need
4 that Yellow Cab out in the rain on the street?
5 However, he can push the button and that cab is
6 cheaper than me. It's the—isn't it amazing how we
7 compete with them? When there's the rush hour, they
8 can charge anything they want. If it does not work
9 out, they can lower the price ten times than me. How
10 I can compete with them? And so, that should be
11 recognized. They should amend the law. I always
12 think with my organization—organization, if any City
13 Council Member or any TLC, any officer want to make
14 the law, they should put the lag time that my right
15 going to the phone or either to the hand. It should
16 be—if—if there's a Black Car, suppose any app
17 companies, they have to have—Okay, the first 10
18 minutes that job is going to my app. If I don't pick
19 up, if I don't have enough cabs in that area, that—
20 that—that fare should go to the Black Cars. That's
21 my right, and this is the first thing we can do it to
22 stop them to make this huge big event, but otherwise
23 I think if we don't recognize this right, everything
24 is impossible, and really—really the last thing, one
25 thing more. I appreciate that I always think there's

2 many things to say that you add two cabs in my
3 Medallion so we can survive, and third, bankruptcy
4 law when we go there, you know what they ask now?
5 How many houses you own? How much loan you have. If
6 you have more loans, they're happy because you will
7 be get that—get that from the bankrupt—by the
8 bankruptcy. If you paid your house, my friend you're
9 in trouble. Please go back and look at this. (sic) I
10 really appreciate it. Thank you.

11 CHAIRPERSON RODRIGUEZ: Thank you.

12 Good afternoon, Mr. Chairman. My name is
13 Carthen (sp?) I'm an owner-driver of New York City
14 Medallion, and I'm not going to repeat and bore you
15 with what's already been stated, but I do have a
16 couple of suggestions, which can be quick instant
17 fixes for the Yellow industry. Ms. Joshi, who has
18 often said it's a free market, but won't allow us to
19 use any vehicle model or make to become taxis
20 including used cars, and one other further one would
21 be reduce our medallion renewal fees, which are
22 currently about \$1,750, and have less inspections for
23 the Yellows, and lastly I'm going to—this may be
24 wishful thinking, but if you could somehow have our
25 loans forgiven, in return, we will lower our fares.

2 This will be a win-win situation for all involved,
3 especially the customers, and lastly, I urge you, Mr.
4 Rodriguez please run for the Speaker position. Thank
5 you. [applause]

6 CHAIRPERSON RODRIGUEZ: [off mic] We'll
7 look at that. I want to say that in the last few
8 weeks--(sic) [on mic] Again, as I said before, we
9 will continue doing the best we can. The Stated
10 Meeting is on Wednesday. We're going to be
11 introducing the bill. So, we will most likely follow
12 you guys to be together, and I will find out the time
13 so that we can be together as we're going to be
14 introducing the bill. But it's not a solution, but
15 at least we're trying to put things in way that it
16 can help to alleviate. So, that if someone own a
17 medallion to be able to say we can have two cars with
18 that medallion. At the same time also that we have
19 to continue having the conversation of putting a cap,
20 you know, to the other sector that they don't have
21 any--any limitation on how many cars they can have in
22 the streets. So, it's about being fair to everyone.
23 Sixty million tourists last year came to New York
24 City, 8.5 million New Yorkers live in the city.
25 There's opportunity for everyone to make their

2 living, but people should play by the same rules and
3 regulations. With that, the hearing is adjourned.

4 Thank you. [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date October 6, 2017