

**Testimony of Meera Joshi
Commissioner and Chair, New York City Taxi & Limousine Commission
Intro Nos. 1474 & 1475**

City Council Transportation Committee

February 27, 2017

Good morning Chair Rodriguez, and members of the Transportation Committee. I am Meera Joshi, Commissioner and Chair of the New York City Taxi and Limousine Commission. Thank you for the opportunity to share the TLC's views on Intros 1474 and 1475. As always, we appreciate the committee's ongoing interest in, and support of, our agency. Our partnership has produced real results for passengers and for our licensed drivers, and I know that we will continue to work together to further improve our City's for-hire service.

Since the proposed Intros would amend longstanding medallion regulations, I want to provide you with a brief history of the medallion. The medallion is a physical object placed on yellow taxis that conveys the exclusive right to do street hails throughout New York City. The medallion system began in 1937 through the Haas Act, which was enacted in order to address an overabundance of taxicabs on the street. The Haas Act froze the number of taxicab licenses to those which existed at the time of enactment, which was 13,500, and set the ratio of corporate medallions (which are typically owned by corporations and must be owned in groups of two or more with no limit on the number that can be owned) to independent medallions (which can only be owned by an individual who is limited to owning just one) at 58 to 42.

The Haas Act codified the definition of an independent medallion, and limited the purchaser to owning only one. When authorized by the state, medallions are sold at an auction conducted by the TLC to the highest qualified bidder. Medallions can also be sold for a price negotiated by the owner and buyer on a secondary market. Historically independent medallions

have sold for less than corporate medallions, as an independent medallion can only be sold to an individual who does not own any other medallions.

Since the enactment of the Haas Act, the number of active medallions has fluctuated, dropping to 11,787 in the 1940s. Between 1996 and 2014, there have been several auctions which resulted in the issuance of hundreds of medallions. Some of the auctions were for alternative fuel medallions and others were solely for accessible medallions. The TLC is authorized to conduct auctions for an additional 1,650 accessible medallions. At present there are 13,587 medallion vehicles serving the City.

In December of 2013, the TLC reached an agreement with disability rights organizations to phase in wheelchair accessible medallion taxicabs so that fifty percent would be accessible by 2020. Corporate minifleets with two vehicles must have at least one vehicle hacked up with an accessible vehicle and minifleets with more than two medallions must have at least one half of the medallions assigned to an accessible vehicle. Independent medallion owners were entered into a lottery that determined when they would need to be hacked up with an accessible vehicle.

As the medallion industry has changed significantly in the last few years, the TLC has also tried to ease unnecessary burdens on the medallion system. For example, Owner Must Drive rules which set a minimum amount of hours independent medallions had to be driven by their owners per year were established in 1990. As a result of better driver training, the rules were revised in 2011, reducing the number of hours required and expanding the definition of ownership to include up to four people. The number of required hours was again reduced in 2015

and the rule was finally repealed in 2016. Now potential buyers of independent medallions do not have to be concerned with driving a minimum amount of hours.

Additionally, the TLC has amended vehicle retirement requirements for independent medallions and corporate medallions. The vehicle retirement schedule for independent and corporate medallions varied between five and three years, respectively. However, in the past year the TLC has changed the retirement schedule to seven years for all vehicles. Similarly, the rules regarding vehicle partitions for independent and corporate medallions were quite distinct. Independent owners had the choice of either installing a partition or an In Vehicle Camera system while corporate medallion taxicabs were required to have a partition. In 2016, the TLC removed the differing requirements allowing owners to decide whether to use a partition or an In Vehicle Camera system. Last year, as a result of Council legislation originated in this committee, the TLC created a universal TLC Driver License, which allows flexibility for drivers to work across different platforms, and allows medallion owners to recruit from the entire pool of drivers, now 155,000, previously they were limited to those drivers qualified to drive medallions before the adoption of the universal license, about 50,000.

So the TLC generally supports both Intros as they would make buying and selling a medallion more like the sale of other transferable TLC licenses such as base licenses or green taxi permits.

Transfer Tax (Intro No. 1474)

Turning to the proposed legislation, Intro 1474 would amend the Administrative Code to decrease the transfer tax that is assessed on each transfer of a taxicab license or interest from five percent to one half of one percent.

This proposed amendment would reduce the amount of tax the seller of a medallion must pay upon completing a sale. The current transfer tax of five percent creates a burden for sellers who may be deterred by the amount of money they would owe upon completion of a transfer. For example, if an owner sold a medallion for \$500,000, the transfer tax owed would be \$25,000. Reducing it to this lesser percentage would align medallion requirements more closely with the requirements for our other licensees. I note that there is no city transfer tax due upon the transfer of bases or green taxi permits.

While we support the reduction of the transfer tax, we believe that the sunset provision is unnecessary and indeed counterproductive. A lower transfer tax rate may increase medallion transfers but if this benefit is only temporary there is little incentive for buyers to enter the market knowing that in a short time they will be burdened by a heavy transfer tax which will depress future sales. We recommend against any sunset provision because it would nullify the impact of the proposed transfer tax reduction.

Medallion Transfers (Intro No. 1475)

The next Intro, No. 1475, would amend section 19-504 of the Administrative Code, which grants the Commission the authority to revoke any license after sixty consecutive days of nonuse as long as that nonuse was not caused by strike, riot, war, public catastrophe, and acts beyond the control of the owner or disability of the owner. First, Intro 1475 would change TLC's revocation of a license for nonuse from mandatory to permissive. The TLC recommends leaving this provision unchanged. The language that requires revocation helps to ensure that licensees not only place vehicles into service but also keep them in service. Mandatory revocation is a powerful tool that ensures licensees make every effort to keep their vehicles on

the road. Permissive revocation would not adequately express the serious consequences of not complying with the service requirement. Since the TLC is in the process of overseeing 50% of the fleet convert to accessible vehicles, this provision could play an important role in ensuring the requisite numbers of vehicles are available. As the City's transportation demands increase, it is important to maintain this provision so that there is a mechanism by which the TLC can ensure that licensees provide sufficient levels of service and accessible service.

Intro 1475 would also add "foreclosure, involuntary transfer, surrender of a medallion in lieu of foreclosure" as instances where nonuse would not result in revocation. The TLC recommends that these circumstances not be included. They would create a loophole large enough to defeat the mandatory service requirements of the regulation.

19-504 – Medallion Ratio

Intro 1475 would also repeal subdivision (i) of section 19-504 of the Administrative Code, which requires the current ratio between corporate medallions and independent medallions be 58: 42. The TLC supports repeal of subsection (i). The TLC has found that the distinction between corporate and independent medallions no longer serves its original purpose, to create a path to ownership for drivers, and we have taken actions to conform our rules accordingly. More recently we eliminated one of the main distinctions between independent medallions and corporate medallions. Prior to the change, owners of independents needed to drive a certain amount of hours per year, while corporate owners could be passive investors. Initially, the TLC reduced the number of required hours for independent medallions but ultimately repealed any driving requirement for independent medallions in February of 2016. As a result of this repeal, an independent medallion owner may now sell his medallion to any qualified buyer as opposed to searching for a buyer willing to personally drive. The proposed repeal would create a larger

market for independent medallion owners, as they could sell freely to any qualified party, including other owners. The TLC fully supports these measures to reduce regulatory obstacles in the medallion market.

19-512 (a & c)

Intro 1475 would also amend subdivisions (a) and (c) of section 19-512 of the Administrative Code, which set out the requirements that must be met before a taxicab license is transferred. Specifically, subdivision (a) states that a taxicab license can only be transferred to a person whom the commission deems qualified to assume the responsibilities of a licensee, and that either the transferee or transferor shall secure a bond to cover all outstanding tort liabilities. Subdivision (b) does not permit a transfer of a taxicab license where there is an outstanding judgment against the holder of the license unless the owner posts a bond. However, a bond is not needed where the owner is able to obtain written permission from judgment creditors or if the proceeds of the sale are paid into escrow. Subdivision (c) allows an owner's interest in a taxicab license to be transferred involuntarily, and when that involuntary transfer occurs, a new license is to be issued to the purchaser or vendee. In the case of an involuntary transfer by reason of a tort judgment against the involuntary transferor, no bond would be needed with respect to the judgment.

The proposed amendments to (a) and (c) would carve out an exception for creditors of taxicab licensees and agents who have come into possession of the taxicab license. These parties would not be subject to the requirements in subdivision (a), specifically they would not be required to file a bond to cover outstanding tort liabilities in excess of the amount covered by a bond or insurance policy.

Instead of these limited revisions, the TLC believes that subdivisions (a), (b) and (c) of 19-512 should be repealed in their entirety, because the goal they are meant to achieve -- the financial protection of persons involved in a crash -- is already addressed by state tort law and TLC insurance requirements. When tort claims arise after a crash, the TLC's insurance requirements, which greatly exceed state minimums, obviate the need for any additional bond to protect passengers or others harmed in a collision. Furthermore, this requirement does not exist for other TLC license types. The removal of this requirement would remove another impediment to transfers, which the TLC fully supports, particularly because it provides no real protection or advantage to persons who have been injured.

19-513 (Repossessions)

Intro 1475 would also amend Section 19-513 of the Administrative Code, which allows medallions that are transferred involuntarily because of a default to be operated by the purchaser of the owner's interest. The proposed amendment to subdivision (a) would add transfer by surrender to the type of transfers covered. The proposed amendment would also add the default of an obligation secured by a security interest to the types of default covered. Additionally, Intro 1475 would repeal the requirement that a one year temporary license is to be issued to the purchaser.

Intro 1475 would also add subdivision (b) to Section 19-513, which permits a licensed agent or a purchaser of a taxicab license that was transferred involuntarily or as a result of surrender upon default of an obligation to operate the taxicab license for a period of at most three years. The TLC does not believe the proposed amendments to subdivisions (a) and (b) of 19-513 are necessary. The amendments seem to address the need of secured parties to operate multiple medallions that come into their possession. However, if section 19-504(i)'s corporate:

individual owner ratio is repealed, as also contemplated by Intro 1475, the ownership requirements that previously impeded a secured party from operating medallions, specifically independent medallions, would no longer be in place.

We believe changes such as these that ease the process of buying and selling medallions could have a positive effect on the industry. But the sunset provision, which repeals the law after two years, would completely undo this work. It would create uncertainty for purchasers whose medallions might then be subject to a different regulatory scheme upon repeal. For that reason the sunset provision would severely limit any positive effect of allowing broader ownership of medallions. Moreover, it is unclear what a temporary repeal of 19-504(i) would mean to medallion owners upon reactivation of the ownership limitations, and what consequences would result for owners of more than one formerly independent medallion. For these reasons, the sunset provision should be removed from Intro 1475.

* * *

Thank you for the opportunity to testify on these bills, and I am happy to answer any questions you may have.

Committee for Taxi Safety
Testimony to the Committee on Transportation
Monday, February 27, 2017

Good Morning Chairperson Rodriguez and Members of the Transportation Committee. My name is David Beier, and I am the President of the Committee for Taxi Safety which is comprised of licensed lease agents which manage approximately 20% of NYC taxi medallions and the men and women who drive the taxi vehicles who all work together to provide transportation to 400,000 people every day. I would like to thank you for your consideration of Intro 1474 and Intro 1475.

The taxi industry has been the only private transportation provider required to pay the bulk of all City and State transportation related taxes and fees as well as comply with all regulations, including a 50% accessible vehicle requirement. Many of these fees and regulations were put in place without regard to the impact of running a business to provide transportation in a newly competitive market due to the advent of e-hail providers.

As an example, the accessibility requirement of converting 50% of all taxis to accessible vehicles has been failing, largely because of the inequality in vehicle requirements across all sectors of the industry. The administration has never implemented a requirement upon all stakeholders, for a shared, responsible strategy for providing wheelchair access in a competitive market place. The prior administration's settlement to save their "Taxi of Tomorrow" program resulted in an arbitrary number of 50% being selected without consulting the industry or the automaker about the viability of such an approach.

The "Taxi of Tomorrow" requires much more gas and maintenance than a hybrid vehicle such as the Camry which other for hire sectors are allowed to use but not the taxi sector at a time when driver earnings across all sectors of the industry are suffering. With the massive and growing number of vehicles on the road competing for fares, each driver's share of fares is increasingly becoming less. Hybrids provide absolutely critical cost-savings for full-time drivers in times like these. Hybrids were the vehicle of choice in the taxi industry just as they currently dominate in the for-hire industry, simply because it means that drivers can save that much more of their earnings. Today, as a result of these administrative decisions, drivers have left the taxi industry resulting in over 500 fully financed medallions currently sitting on TLC shelves.

To underscore this point, the taxi driver's best hybrid option was taken away from them when they were no longer allowed to put Toyota Camrys on the road. Many of the drivers left this industry due to these changes and restrictions, taking advantage of looser or non-existent rules and requirements on e-hail platforms like Uber.

It is not a coincidence that Uber, which had coexisted with taxis for three years prior to this, seized that opportunity to recruit drivers by offering them a Camry Hybrid, the car that makes the most economic sense to them. This is why, today, UberX's offering is 65% Toyota Camry Hybrids. With over 46,000 cars on this platform, that translates to almost **30,000 Toyota Camrys added to the road, while taxi operators struggle to get drivers into wheelchair accessible vehicles.** Taking into account the meteoric increase in for-hire vehicles, it is far more likely that the proportion of wheelchair accessible vehicles in New York City actually on the road is **worse** than it was at the inception of the program.

To this day, some media commentators say taxis should compete against Uber and not complain. We are not complaining about the competition - we accept the competition - but we cannot compete unless we have an even playing field. The regulations are set up so that Uber has numerous unfair economic advantages and it is not that they have a better product, but rather, that because the regulations do not apply to them, that they are able to disrupt our business. As examples:

Their vehicles are not branded while our cars are either yellow or green. Without branding, illegal pickups occur throughout the city. Enforcement is made almost impossible.

We paid huge licensing fees, more than \$1 million, to have the right to pick up passengers. Uber paid nothing.

Data concerning our trips, pickups, drop-offs, fares, etc. are available to the TLC in real time. Uber refuses to turn over data and one can only infer that its refusal to turn over data is because it is hiding information.

We pay an MTA tax of \$.50 per ride to support mass transportation. Uber does not.

Uber sets its own fares and can change those fares at any time. Our fares are set by the government.

Uber gets to do surge pricing-increasing fares by doubling tripling and even quadrupling them when passengers need them the most. We do not.

We have a mandate that by 2020, 50% of all our vehicles must be accessible. Uber and Lyft have no such corresponding mandate. With over 35,000 vehicles on the road, Uber has virtually no accessible vehicles.

Our choice of vehicles is limited. Uber and Lyft are not similarly limited. We also have age limitations on our vehicles. Uber and Lyft do not.

We have total transparency in our leases so that the driver knows what the drivers must pay and can estimate what the driver can earn because the fares are set. Uber and Lyft have no such corresponding regulation. In fact, Uber was just fined \$20 million in San Francisco for misleading its drivers about their earnings.

What we ask of the Council, as well as the administration and the TLC, is to once again be allowed to compete on a level playing field for drivers and passengers. We are committed to the accessibility program, but no business or accessibility program, can succeed under a set of unbalanced rules. Drivers will continue to take advantage of loose regulations in the for-hire vehicle sector, and access to wheelchair accessible vehicles will likely deteriorate until the rules are adjusted to provide for proper incentives for those drivers who drive accessible vehicles. Asking for a level playing field is not asking for anything other than being allowed to compete fairly in today's highly competitive market for drivers and passengers.

The two Intro's before you address by-products of not allowing taxis to freely compete. We offer minor technical corrections of the language as to not cause the TLC or other agencies confusion about the intent of the legislation.

In Intro 1474, the bill should provide that for a two-year period, there should be an elimination of the transfer tax.

In Intro 1475, it should be clear that the entities running these medallions would have to meet all requirements and have to be licensed medallion leased agents of the TLC. We do not believe it was the intention of the Council to create a new class of operator for which the TLC currently has no rules and which would be a slippery slope to lender's liability. This simple correction will eliminate any potential confusion and provide a path forward for anyone with such a medallion as contemplated by this Intro.

Thank you.

TAXICAB SERVICE ASSOCIATION

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Testimony of David Pollack on behalf of the TSA

Intros 1474 & 1475 – City Council Chambers

Monday, February 27, 2017

Good morning Chairman Rodriguez and Council members,

My name is David Pollack the President of the Taxicab Service Association representing New York City medallion lenders.

Over the past decade the sales of New York City taxi medallions have generated hundreds of millions of dollars for the city's general fund by holding medallion auctions. That said, when a purchaser buys a medallion from New York City, there is no "transfer tax." Yet, when an existing medallion owner transfers his medallion the city receives a 5% transfer tax.

The statistics I provided before you show medallion transfers from 2013 through 2016. In 2013 there were 258 medallion transfers with zero foreclosures. In 2016 there were 65 transfers, 37 of which were foreclosures.

With the downturn in the market place, we need to make owning a medallion more attractive. Intros like 1474 and 1475 which help to make buying a medallion both more attractive and maintain the value hopefully will instill a sense of confidence.

The passage of Intro 1474 will make the purchase of a medallion more appealing and Intro 1475 will allow for the operation of such in times of distress. To reinforce assisting the industry, both laws should sunset in four years, as a turnaround will not likely occur in two years.

Since the longevity of a new taxi vehicle is seven years for an accessible or hybrid vehicle, we believe the time allotted to lease a medallion that has been surrendered, transferred involuntarily, or as a result as a default of an obligation secured by a security interest should be allowed to operate with a licensed agent for the life of the attached vehicle with a minimum of three years.

The TSA supports the passage of Intro 1474 and Intro 1475 hopefully with the modification suggested above.

Thank you for this opportunity to address our position regarding Intros 1474 and 1475.

**David Pollack
President, TSA**

NUMBER OF MEDALLION TRANSFERS AND FORECLOSURES

2013

NUMBER OF INDIVIDUAL MEDALLIONS TRANSFERRED

65 TOTAL

FORECLOSURES	ASSET SALES	50%
0	55	10

NUMBER OF MINI-FLEET MEDALLIONS TRANSFERRED

FORECLOSURES	ASSET SALES	STOCK TRANSFERS
0	22	171

193 TOTAL

***2013 TOTAL TRANSFERS: 258 WITH ZERO FORECLOSURES**

2014

NUMBER OF INDIVIDUAL MEDALLIONS TRANSFERRED

80 TOTAL

FORECLOSURES	ASSET SALES	50%
4	61	15

MINI-FLEET MEDALLIONS TRANSFERRED

100 TOTAL

FORECLOSURES	ASSET SALES & STOCK TRANSFERS
2	98

2014 TOTAL TRANSFERS 180 WITH 6 FORECLOSURES

2015

NUMBER OF INDIVIDUAL MEDALLIONS TRANSFERRED

21 TOTAL

FORECLOSURES	ASSET SALES AND STOCK TRANSFERS
11	10

MINI-FLEET MEDALLIONS TRANSFERRED

22

FORECLOSURES	ASSET SALES & STOCK TRANSFERS
0	22

2015 TOTAL TRANSFERS 43 WITH 11 FORECLOSURES

2016

NUMBER OF INDIVIDUAL MEDALLIONS TRANSFERRED

24

FORECLOSURES

15

ASSET SALES

9

MINI-FLEET MEDALLIONS TRANSFERRED

41

FORECLOSURES

22

ASSET SALES & STOCK TRANSFERS

19

*** 2016 TOTAL TRANSFERS 65 WITH 37 FORECLOSURES**

\$0 TRANSFERS ARE NOT INCLUDED
ESTATE TRANSFERS ARE NOT INCLUDED

THE NYCT&LC WEBSITE

* FOR 2012 SHOWS 232 TRANSFERS
WITH ZERO FORECLOSURES
ONLY 11 MONTHS ON-LINE

PREPARED BY DAVID POLLACK
ALL INFORMATION FROM
NYCT&LC WEBSITE

JANUARY 2016 MEDALLION SALES CHART

Medallion Classification	Asset Sales		Stock Transfers	
	Prices	Notes	Prices	Notes
Independent Accessible	N/A		N/A	
Independent alternative fuel	N/A		N/A	
Independent unrestricted	N/A		\$0.00	Estate
Corporate accessible	N/A		N/A	
Corporate alternative fuel	N/A		N/A	
Corporate unrestricted	N/A		N/A	

FEBRUARY 2016 MEDALLION SALES CHART

Medallion Classification	Asset Sales		Stock Transfers	
	Prices	Notes	Prices	Notes
Independent Accessible	N/A		N/A	
Independent alternative fuel	N/A		N/A	
Independent unrestricted	\$0.00	Estate		
Corporate accessible	N/A		N/A	
Corporate alternative fuel	N/A		N/A	
Corporate unrestricted	N/A		\$0.00	2 Medallions

MARCH 2016 MEDALLION SALES CHART

Medallion Classification	Asset Sales		Stock Transfers	
	Prices	Notes	Prices	Notes
Independent Accessible	N/A		N/A	
Independent alternative fuel	N/A		N/A	
Independent unrestricted	\$580,000.00		\$2,628.66	1%
	\$520,000.00			
	\$70,810.00	Partnership Split		
	\$0.00	Estate		
	\$0.00	Estate		
	\$0.00	Estate		
	\$0.00	Individual to LLC		
	\$0.00	Individual to LLC		
Corporate accessible	N/A		N/A	
Corporate alternative fuel	N/A		N/A	
Corporate unrestricted				

APRIL 2016 MEDALLION SALES CHART

Medallion Classification	Asset Sales		Stock Transfers	
	Prices	Notes	Prices	Notes
Independent Accessible	N/A		N/A	
Independent alternative fuel	N/A		N/A	
Independent unrestricted	\$615,000.00	Foreclosure	\$0.00	1%
	\$325,000.00			
	\$0.00	Estate		
	\$0.00	Estate		
	\$0.00	Family		
	\$0.00	Family		
Corporate accessible	N/A		N/A	
Corporate alternative fuel	N/A		N/A	
Corporate unrestricted			\$0.00	2 Medallions
			\$0.00	3 Medallions

MAY 2016 MEDALLION SALES CHART

Medallion Classification	Asset Sales		Stock Transfers	
	Prices	Notes	Prices	Notes
Independent Accessible	N/A		N/A	
Independent alternative fuel	N/A		N/A	
Independent unrestricted	\$560,000.00	Foreclosure	\$0.00	10%
	\$540,000.00	Foreclosure		
	\$405,000.00			
	\$0.00	Estate		
	\$0.00	Estate		
	\$0.00	Estate		
	\$0.00	Estate		
	\$0.00	Estate		
Corporate accessible	N/A		N/A	
Corporate alternative fuel	N/A		N/A	
Corporate unrestricted			\$0.00	2 Medallions

JUNE 2016 MEDALLION SALES CHART

Medallion Classification	Asset Sales		Stock Transfers	
	Prices	Notes	Prices	Notes
Independent Accessible	N/A		N/A	
Independent alternative fuel	N/A		N/A	
Independent unrestricted	\$610,000.00	Foreclosure	\$0.00	100%
	\$600,000.00			
	\$575,000.00			
	\$572,500.00	Foreclosure		
	\$570,000.00	Foreclosure		
	\$550,000.00	Foreclosure		
	\$525,000.00	Estate		
	\$0.00	Individual to LLC		
	\$0.00	Estate		
	\$0.00	Estate		
	\$0.00	Family		
	\$0.00	Estate		
	\$0.00	Estate		
	\$0.00	Estate		
	\$0.00	Estate		
Corporate accessible	N/A		N/A	
Corporate alternative fuel	N/A		N/A	
Corporate unrestricted			\$545,000.00	2 Medallions - 50%
			\$0.00	3 Medallions
			\$0.00	2 Medallions
			\$0.00	2 Medallions
			\$0.00	2 Medallions
			\$0.00	2 Medallions
			\$0.00	2 Medallions

JULY 2016 MEDALLION SALES CHART

JULY 2016 MEDALLION SALES CHART				
Medallion Classification	Asset Sales		Stock Transfers	
	Prices	Notes	Prices	Notes
Independent Accessible	N/A		N/A	
Independent alternative fuel	N/A		N/A	
Independent unrestricted	\$620,000.00	Foreclosure	\$61,589.80	10%
	\$620,000.00	Foreclosure		
	\$550,000.00	Foreclosure		
	\$0.00	Individual to LLC		
	\$0.00	Individual to Corp.		
	\$0.00	Estate		
Corporate accessible	N/A		N/A	
Corporate alternative fuel	N/A		N/A	
Corporate unrestricted			\$0.00	2 Medallions
			\$0.00	2 Medallions
			\$0.00	2 Medallions

AUGUST 2016 MEDALLION SALES CHART

Medallion Classification	Asset Sales		Stock Transfers	
	Prices	Notes	Prices	Notes
Independent Accessible	N/A		N/A	
Independent alternative fuel	N/A		N/A	
Independent unrestricted	\$620,000.00	Foreclosure	\$0.00	50%
	\$598,000.00	Foreclosure		
	\$570,000.00			
	\$350,000.00			
	\$0.00	Estate		
	\$0.00	Estate		
	\$0.00	Estate		
	\$0.00	Estate		
	\$0.00	Individual to Corp.		
Corporate accessible	N/A		N/A	
Corporate alternative fuel	N/A		N/A	
Corporate unrestricted	\$1,500,000.00	Foreclosure	\$450,000.00	2 Medallions - 50%
	\$1,500,000.00	Foreclosure		
	\$1,500,000.00	Foreclosure		

SEPTEMBER 2016 MEDALLION SALES CHART

Medallion Classification	Asset Sales		Stock Transfers	
	Prices	Notes	Prices	Notes
Independent Accessible	N/A		N/A	
Independent alternative fuel	N/A		N/A	
Independent unrestricted	\$0.00	Estate	\$0.00	100%
	\$0.00	Estate	\$0.00	50%
Corporate accessible	N/A		N/A	
Corporate alternative fuel	\$1,250,000.00	Foreclosure	N/A	
	\$1,250,000.00	Foreclosure	\$600,000.00	2 Medallions - 50%
	\$1,250,000.00	Foreclosure	\$0.00	2 Medallions
Corporate unrestricted	\$1,250,000.00	Foreclosure		
	\$1,250,000.00	Foreclosure		
	\$1,250,000.00	Foreclosure		
	\$1,250,000.00	Foreclosure		
	\$1,250,000.00	Foreclosure		
	\$1,250,000.00	Foreclosure		

OCTOBER 2016 MEDALLION SALES CHART

Medallion Classification	Asset Sales		Stock Transfers	
	Prices	Notes	Prices	Notes
Independent Accessible	N/A		N/A	
Independent alternative fuel	N/A		N/A	
Independent unrestricted	\$600,000.00	Foreclosure	\$0.00	10%
	\$0.00	Individual to LLC		
	\$0.00	Individual to LLC		
	\$0.00	Individual to LLC		
	\$0.00	Family		
Corporate accessible	N/A		N/A	
Corporate alternative fuel	N/A		N/A	
Corporate unrestricted	\$950,000.00	2 Medallions	N/A	

NOVEMBER 2016 MEDALLION SALES CHART

Medallion Classification	Asset Sales		Stock Transfers	
	Prices	Notes	Prices	Notes
Independent Accessible	N/A		N/A	
Independent alternative fuel	N/A		N/A	
Independent unrestricted	\$500,000.00	Estate		
	\$0.00	Estate		
Corporate accessible	N/A		N/A	
Corporate alternative fuel	N/A		N/A	
Corporate unrestricted	\$1,302,127.61	2 Medallions	\$700,000.00	2 Medallions - 50%
	\$1,200,000.00	2 Medallions	\$0.00	2 Medallions
			\$0.00	2 Medallions

DECEMBER 2016 MEDALLION SALES CHART

Medallion Classification	Asset Sales		Stock Transfers	
	Prices	Notes	Prices	Notes
Independent Accessible	N/A		N/A	
Independent alternative fuel	N/A		\$69,966.00	10%
Independent unrestricted	\$600,000.00	Foreclosure		
	\$550,000.00	Foreclosure		
	\$480,000.00	Estate		
	\$387,717.60			
	\$0.00	Estate		
	\$0.00	Estate		
	\$0.00	Estate		
Corporate accessible	N/A		N/A	
Corporate alternative fuel	N/A		N/A	
Corporate unrestricted	\$1,350,000.00	2 Medallions	\$1,322,541.60	4 Medallions - 50%
			\$0.00	2 Medallions
			\$0.00	2 Medallions



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Peter M. Mazer
General Counsel

Testimony of Peter M. Mazer

General Counsel

Metropolitan Taxicab Board of Trade

Before the New York City Council

February 27, 2017

Good morning, Chairperson Rodriguez and members of the New York City Council. My name is Peter Mazer, and I am General Counsel to the Metropolitan Taxicab Board of Trade (MTBOT). MTBOT represents the owners of approximately 5,500 licensed medallion taxicabs, as well as the agents, brokers and ancillary businesses that support the medallion industry. We also provide services to the more than 22,000 drivers who lease taxicabs from our members.

I commend the City Council for its action on these two Introductions. It is no secret that the past two years have presented the medallion taxicab industry with extraordinary challenges. Each day, on average, more than 100,000 fewer passengers ride taxicabs than two years ago. Fare revenue has dropped by about \$400 million per year. Taxicab medallion values have plummeted; this means that for many New Yorkers who have invested heavily in this industry, their life savings have been dissipated.

Despite this gloomy picture, there are steps that can be taken to protect the investments of many hard working New Yorkers who believe that medallion ownership is a part of the American dream.

These two bills are a good start. Intro. 1474 would reduce the tax paid by the purchasers of taxicab medallions from five percent of the medallion value to one half of one percent. When the medallion industry was healthier a few years ago, this tax generated about \$5 million per year in revenue to the City, a small fraction of the budget. During the past two years, there have been few transfers and this tax has generated little or no income to the City. By reducing the tax rate, the City is significantly lowering a barrier that is inhibiting the restoration of a healthy taxicab exchange market. By reducing transactional costs, the City will be encouraging lenders, purchasers and others to again enter to taxicab market and invest in this industry.

The second bill, Intro. 1475, makes some significant changes to the medallion ownership system. First, the distinction between an independent medallion, that is, a single medallion owned and operated by one owner, and corporate medallions, which may be owned in greater quantity, would be eliminated. This distinction made sense years ago when there was a vibrant market for individually owned medallions, which needed to be protected. Today, statutory restrictions on medallion ownership in fact distort the free market and make it more difficult for owners of medallions to sell their assets, since the universe of potential buyers is limited.

The second major change introduced by this bill is the concept that a lending institution that acquires title to a medallion, either through voluntary or involuntary sale, or by some other means, may have the option to operate the medallion

through a licensed agent rather than be compelled to sell the medallion for whatever price the market would bear. This would prevent the sale of medallions at prices well below fair market value; such sales would depress the entire medallion market, devalue assets that represent the life savings of many owners, and create a liquidity crisis that would cause medallions to be worth less than the outstanding indebtedness. The bill would help stabilize the industry by affording lenders a method by which they can avoid the forced sale of sales at prices below market value.

While MTBOT supports these Bills, I would like to propose some changes to the text of Intro. 1475. First, we urge the Council to reconsider section seven (7), which would have the legislation “deemed repealed” two years after it becomes law. The purpose of this legislation is presumably to promote stability in the taxicab market and this stability would be undermined if this law is seen as merely a temporary measure. Since amended section 19-513(b) in its present form would permit the operation of a foreclosed medallion for three years, a two year “sunset” of the bill would undermine this provision. Furthermore, the law would repeal the prohibition against ownership of both independent and corporate medallions by the same entity. If this section were to be repealed after two years, there may be owners of medallions who would be compelled to divest their interests. We also encourage the Council to rethink whether the three year limitation on foreclosing entities operating medallions is necessary, since the regulators governing banks and credit union already set limits on the period these entities can hold foreclosed asserts without selling them. We suggest a 7-year period which would align with the retirement vehicle of a taxicab.

Second, amended section 19-513(b) speaks of a transfer of a medallion to a “purchaser”. In some cases, secured lender which we envision would be operating

the medallion would not be a title owner, as implied by the term purchaser. Instead, we urge the Council to change the word purchaser to “secured lender” to clarify that non-purchasing secured lenders will also be permitted to operate medallions through agents, consistent with the requirements of the regulators of these financial institutions.

While these bills alone will not fully restore confidence in this industry, they are a crucial first step. But they demonstrate that it is possible to confront serious issues in a positive environment and work together toward common solutions.

I would be happy to address any questions you may have.

**THE COUNCIL
THE CITY OF NEW YORK**

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in favor in opposition

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Name: Arthur Goldstein

Address: _____

I represent: TSA

Address: _____

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Date: 2/27/2017

(PLEASE PRINT)

Name: PETER M. MAZER

Address: 39-24 24th STREET, LIC, NY 11101

I represent: METROPOLITAN TAXICAB BOARD OF TRADE

Address: _____

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Appearance Card

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Name: Michael Keogh

Address: _____

I represent: Committee for Taxi Safety

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Name: David Beier

Address: _____

I represent: Committee for Taxi Safety

Address: _____

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Appearance Card

I intend to appear and speak on Int. No. 1475/1474 Res. No. _____

in favor in opposition

Date: 2/27/2017

(PLEASE PRINT)

Name: Meera Joshi

Address: 33 Beaver Street, 22nd Fl

I represent: NYC Taxi & Limousine Commission

Address: 33 Beaver Street, 22nd Fl

**THE COUNCIL
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in favor in opposition

Date: 2/27/2017

(PLEASE PRINT)

Name: Chris Wilson

Address: 33 Beaver Street, 22nd Floor

I represent: NYC Taxi & Limousine Commission

Address: 33 Beaver Street, 22nd Floor

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I intend to appear and speak on Int. No. 1474-75 Res. No. _____

in favor in opposition

Date: _____

Name: DAVID POLLACK (PLEASE PRINT) President

Address: 139-30 Queens Blvd

I represent: BA-Taxicab Service Association

Address: SAR

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I intend to appear and speak on Int. No. 1474 1475 Res. No. _____

in favor in opposition

Date: _____

Name: ROBERT FAMILANT (PLEASE PRINT)

Address: _____

I represent: PROGRESSIVE Credit Union

Address: _____

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