

Testimony of Meera Joshi
Commissioner and Chair, New York City Taxi & Limousine Commission
City Council For-Hire Vehicle Committee
Intros. Nos. 304, 1052, 1062, 1068, 1069, 1070, 1079, 1081 & 1096
September 17, 2018

Good morning Chair Diaz and members of the For-Hire Vehicle Committee. I am Meera Joshi, Commissioner and Chair of the New York City Taxi and Limousine Commission. Thank you for asking me to share the TLC's views on this second package of for-hire vehicle legislation creating new protections for drivers and medallion owners. We support the goals of this package, and today I want to discuss why.

Intros. 1068 & 1081 would require the City to provide additional counseling and support to drivers and potential drivers.

Intro. 1068 would require TLC, in consultation with the Department of Consumer Affairs and other agencies, to engage in outreach and education to people considering purchasing or leasing a for-hire vehicle or a taxi medallion. Outreach and education materials would describe the common terms involved in vehicle and medallion transactions, and be translated into the most-spoken languages. Drivers would be given access to counseling intended to help people understand these terms. TLC agrees with the Council that it is crucial that current and potential drivers and owners fully understand the costs associated with working in their respective industries. In support of this mission, TLC already partners with DCA's Office of Financial Empowerment to distribute materials and help existing owners and drivers book appointments with the Financial Empowerment Center. We also promote OFE offerings in our TLC newsletter, Keys to the City, and we've created different educational materials for current and potential FHV and medallion drivers that break down all of the expected or assumed costs for driving and/or owning an FHV or a yellow taxi. Additionally, our Driver Protection Unit helps drivers by providing agency attorneys to assist them with predatory or illegal leasing agreements or other financial disputes. We look forward to continuing our partnership with DCA and expanding our financial education outreach.

Intro. 1081 would require TLC to establish driver assistance centers to provide services and information for drivers and vehicle owners, including information on mental health services, and referrals. On a daily basis TLC conducts this crucial driver outreach through our External Affairs team, which handles emails and calls from drivers daily, in addition to many driver cases referred by elected officials. As you know, Chair Diaz, members of this team have worked closely with your Legislative Assistant Jennie Mejia to help over 300 drivers understand the TLC's processes and regulations, and this work is only one component of a city-wide outreach strategy meant to reach as many drivers as possible, whenever they have questions or concerns.

TLC goes into the community to meet with drivers at events organized by other agencies, such as Small Business Services and the Community Affairs Unit, and we organize our own driver events citywide, which we have branded "TLC in Your Borough," where we coordinate with local community and driver groups to maximize turnout and driver outreach. TLC has hosted events in all 5 boroughs, frequently in neighborhoods populated with many drivers, or at religious centers frequented by drivers. Our next TLC in Your Borough event will be at Bronx Lebanon Hospital on September 25.

We also work closely with Thrive/NYC to increase awareness among drivers. Our External Affairs, Enforcement, and Licensing teams have all received mental health first aide training from Thrive/NYC, and we provide information about the City's mental health resources directly to our licensees at all of our events as well as in our monthly newsletter. So far we have co-hosted 4 events with Thrive/NYC, and on September 21, we will begin monthly meetings at houses of worship with a meeting at the Bangladeshi Muslim Center in Kensington. We are excited to continue this partnership to reach as many drivers in need of these services as possible. TLC supports these bills and applauds Council's recognition of the importance of strong and substantive outreach targeted to drivers' needs.

Intro. 1052 would require TLC to study the feasibility and cost of providing certain benefits for drivers, including medical care, mental health care, vision, disability insurance, and sick pay, and to recommend to the Speaker which benefits should be offered. The bill would also require TLC to establish a

program to administer those benefits after determining the overall program costs and determining how to fund such a program.

TLC supports the goal of providing benefits to the City's hardworking TLC-licensed drivers. As you may know, five years ago, the TLC established a driver benefit fund for the same reasons the Council is considering one today. The fund was struck down because a court found that its creation exceeded our agency's jurisdiction.

Although there are certainly complex federal and state laws relating to healthcare that need to be considered, today's bill addresses that challenge to our jurisdiction, and we are excited to restart efforts to bring healthcare services to drivers. Today there are over 180,000 drivers so the effort to determine how best to structure a benefit fund for all of them will be very different from what it was in 2012 and take considerable time, more than is currently allotted in the bill. It will also require expertise that is beyond the TLC's, and we look forward to working with the Council on a timeline to ensure a comprehensive study and partnering with sister City agencies with the necessary expertise and experience.

Intro. 1062 would protect drivers against being charged when passenger credit card transactions fail – a so-called “chargeback.” In the event of such a failure, the base, technology system provider, agent or medallion owner must cover any charges, and a penalty of \$250-\$500 would be assessed for each offense. We agree that drivers should not bear the burden of technology errors over which they have no control, and we support the intent of this bill.

Intros. 304 & 1069 focus on the current state of medallion owners so I want to highlight for context the steps that TLC and the City Council have already taken.

- The City Council created one universal TLC Driver License, so that drivers can move easily between the taxi and FHV sectors. This has enhanced their earnings potential and widens the pool of drivers for both sectors to draw on.
- TLC recently approved a “Flex Fare” pilot that allows taxi apps to quote an upfront fare for passengers who request a taxicab through their smartphone. This gives taxi passengers the same benefits that for-hire vehicle passengers have — ease of smartphone e-hailing, access to an upfront price, and seamless payment.
- TLC has extended vehicle retirement periods, allowing owners to get more value out of their cars when they continue to meet safety and emissions standards, and TLC significantly expanded the pool of vehicles that can be used as a taxicab, allowing owners and drivers to choose a vehicle that best fits their needs.

- An additional TLC pilot allows taxi owners to lease to drivers on a commission basis, rather than a fixed lease payment at the beginning of a shift, which drivers have to pay off before they begin earning.
- TLC eliminated the owner-must-drive requirement so that independent medallion owners have greater flexibility to drive or lease their taxi;
- The Council eliminated the distinction between independent and corporate medallions and lowered the transfer tax from 5% to .5% to reduce the expenses associated with medallion transactions;

And this year TLC launched Citywide Accessible Dispatch, which allows taxi drivers to receive not only the metered fare for the trip, but also a dispatch payment to compensate for the time spent traveling to the pickup point and assisting the passenger. We continue to work with the MTA as they experiment using taxis for Access-A-Ride trips. These are some of the steps we have taken to support the medallion industry.

Intro. 304 would establish a task force to study taxicab medallion values and the impact of taxi medallion sales on the city's budget, and, within six months, to make recommendations to increase the value of taxi medallions. We support this effort - I have testified before on Intro. 304, which was numbered Intro. 963 in the previous session, and as I said last year, TLC always supports developing new ideas to help our licensees, and we are interested to hear new proposals for additional steps the City might take.

Intro. 1069 would require TLC in consultation with the Department of Finance to study "the problem of medallion owners with excessive debt due to the decline in the value of such medallions." The bill would require the study be completed by June 1, 2019, after which the TLC would consider the findings and determine any appropriate actions, which may include identifying organizations that may offer assistance, including financial assistance, to medallion owners.

Unfortunately the City's access to information about the extent of medallion debt is limited, and this may hamper review of these issues, and the interplay of state and federal finance laws may limit the tools the City can employ to address challenges associated with medallion debt. So we will continue to work closely with Council to determine the most effective way to review these issues and support owners.

Intros. 1070 would require TLC to promulgate rules regarding For-Hire Vehicle leasing, rental, lease-to-own and conditional purchase arrangements. TLC would be required to consider mandatory disclosure requirements, consumer protection practices and setting caps on the amounts payable under these agreements, for example deposits.

We also support the financing limits proposed in Intro. 1070, as we have long recognized the need for protections in this area, and since 2012 we have regulated the conditional purchase of taxi vehicles. The City has jurisdiction over vehicle leases to drivers when the individual or company leasing the vehicle is licensed by TLC. What we cannot currently do is regulate entities that are not licensed by us and that provide vehicles and financing for TLC vehicles. So we would like to explore with Council how Intro 1070 could be amended to grant the City that express authority. Another approach may be a requirement that only vehicles that are financed according to specific criteria may be licensed by the TLC.

We support the need for greater transparency in FHV leasing. With the large expansion of the FHV market, leases have taken on greater importance for drivers, most of whom buy or lease their vehicles, often at very high interest rates. TLC fully supports shedding more light on these agreements so that drivers better understand the risks of leasing or purchasing a vehicle. TLC has proposed transparency rules for an October 3 hearing that will require several new protections, including that FHV leases be written in plain language, that they specify all costs to drivers, that key lease terms be disclosed written in plain language, and that bases provide drivers with an itemized breakdown of how much a driver earned, the amount of a passenger fare and driver expenses.

Intro. 1096, which we received a few days ago, would amend Section 19-548 of the Administrative Code, which was enacted last month and which creates a new licensing category for High Volume For-Hire Services. The proposed legislation would require those companies to affirm in their license application that they will not charge or deduct from for-hire owners or drivers automatic payments for rental, lease or purchase of a vehicle. We support the transparency goal of Intro. 1096, and we look forward to hearing input about automatic deductions from drivers

Intro. 1079 would create a new Office of Inclusion at the TLC to address the problem of service refusals and other forms of discrimination, through data collection, outreach and education.

Service refusals are illegal and unacceptable. Every passenger has the right to service regardless of race, ethnicity, disability, gender, or sexual orientation. TLC takes service refusal complaints very seriously. Our Prosecution Unit investigates them fully, and drivers face significant fines and revocation for service refusals. TLC strongly encourages passengers to report refusals through 311 or TLC. When For-Hire Vehicle passengers complain only to the company and not TLC, there is no way for the City to track the complaints or to hold a driver to account. Refusal complaints are heard at OATH, and passengers may participate in the hearing via phone, and about 90% do. Potential fines for refusals range from \$350-500 for a first offense, \$700-1000 with possible 30 day suspension for a second offense, and \$750-1,000 for a third offense, and revocation. Since January 2017, we have received around 3500 service refusal complaints, over 2000 of these were pursued and 65% of these, or about 1,400, ended in conviction.

Over the last year, TLC has met with the NAACP Legal Defense Fund in New York City about race-based service refusals, and we have incorporated many of their suggestions into our work. We've also held extensive discussion groups with drivers, faith leaders, and other community leaders about ending service refusals. These discussions significantly shaped the short film the TLC is making with NYC Media featuring journalist Errol Louis, which we will use for driver education and additional outreach. Over the last summer our social media advertising campaign led to more than 32,000 people in predominantly African-American ZIP codes clicking on a City website to learn how to file a refusal complaint.

We anticipate the Office of Inclusion's building upon and expanding the prosecution, enforcement, education, and outreach work the TLC does in this area, and we appreciate the City Council's support for this critical work.

Thank you for giving me the opportunity to share TLC's views today.

THIS IS WRITTEN TESTIMONY



Good Morning Chairman Diaz and Members of the Committee. My name is Ira Goldstein and I am the Executive Director of The Black Car Fund (BCF). Unfortunately, I am unable to attend this morning's hearing and address you directly as I am out of town due to a speaking engagement, but greatly appreciate this opportunity to submit written testimony on Int. 1052.

A brief history on BCF; formed (via state statute) in 1999, with coverage first issued in the year 2000, BCF is a non-profit, self-insured, self-funded and self-administered workers' compensation insurance company. Drivers are covered with full workers' compensation coverage while completing jobs for BCF Member Bases; in order to fund coverage, a 2.5% passenger surcharge is charged and collected on each ride, and is added in addition to the fare, therefore not cutting into driver earnings in any way. BCF currently has approximately 400 Member Bases, and covers approximately 130,000 drivers with full workers' compensation insurance across the state.

Over the course of BCF's nearly two-decade history, we have continuously and thoughtfully expanded our suite of available driver benefits. With a Long Island City educational facility, BCF offers drivers State-Certified Enhanced Defensive Driving Courses which is not only free of charge, but we pay them \$300 to attend. We developed our Wellness STEP class – a custom-designed curriculum aimed not only at addressing driver health issues, but significantly improving public safety, as well, and drivers are paid \$150 to attend this class. While our driver class benefits have been and continue to be wildly popular and successful, we have evolved by offering a variety of additional benefits, all at no cost to drivers.

Aware that time translates to money for independent contractor drivers, BCF created a Telemedicine benefit ensuring our insured have access to medical care on-demand via video chat or phone call. Drivers consult with a physician who is able to conduct limited initial diagnoses, answer medication questions, conduct follow-ups and much more. All free of charge. Another example is our Vision coverage, which guarantees our insured with a free vision consultation and pair of prescription eye glasses. Done in conjunction with the Independent Drivers Guild (IDG) Benefits Fund, come October, a van retrofitted to conduct mobile eye exams and provide prescriptions eye glasses will be making the rounds, visiting highly-trafficked driver areas to ensure maximum benefit utilization, protecting drivers, passengers and pedestrians, alike. As we all know, driving for-hire is, by nature, a dangerous profession, especially in New York; which is why BCF launched its \$50,000 driver death benefit. In the event an insured driver loses their life while on the job, their next of kin is issued a \$50,000 lump sum check, in addition to any other benefits they are due under NYS workers' compensation law.

While I believe it is clear via our continued actions that BCF supports the core intent of Int. 1052, providing drivers with additional benefits, BCF must oppose the bill as currently written. First, there is

the fact that a number of the benefits called for in the legislation, such as vision coverage and workers' compensation insurance, for example, are already provided to drivers by BCF, and would therefore be duplicative. Then, there is also the issue of funding the initiative. Int. 1052 calls for "*...the commission [TLC] shall determine, by reasonable estimate, the total funding necessary to carry out such operations. Based upon its estimation of operating costs, the commission shall establish by rule a uniform surcharge to be added to each taxicab and for-hire vehicle fare.*" In reality, taking into account the varying pricing between industry sectors makes the imposition of an identical surcharge per trip inequitable and therefore unrealistic.

While the concept of a uniform surcharge across the board sounds logical, it is simply unrealistic due to the fact that each industry sector is associated with a highly-differential and unique risk management profile, which causes the costs of providing benefits to differ greatly between sectors. As Int. 1052 is written, this practice would only go to cause further inequities. Not addressed, either, is that not all of the for-hire vehicle industry sectors operate at all in the same way. Due to its operational nature, the overwhelming majority of livery fares are paid for in cash – without an auditable revenue record or adequate operational system which could be used to charge the surcharge, it is unrealistic to expect to at all sustainably fund benefit offerings for an industry sector. It is for the reasons listed above that the livery industry cannot meet the requirements of being Members of the BCF.

Finally, Int. 1052 grants the TLC only 120 days to, in conjunction with the Department of Health and Mental Hygiene, assess the feasibility and costs associated with the offering of such benefits and the potential utility to taxi and for-hire vehicle drivers. Based on our wide-ranging experience in providing drivers with benefits funded via surcharges, as well as with workers' compensation insurance provisions, it is our highly-educated and confident opinion that such deadlines placed upon the TLC are unrealistic. While The Black Car Fund agrees that providing drivers with additional benefits is important, we also believe that a sustainable funding method is required, and as currently written, Int. 1052 does not guarantee it will be there, nor that liabilities will be distributed at all equitably.

Thank you for the opportunity to address this committee on this legislation.

FOR THE RECORD



LRT written testimony, Re; Intro 1052

Dear Chairman Diaz and the For-hire Committee Members.

My name is Avik Kabeesa, the CEO of Carmel Car Service, a founding member of the Livery Roundtable (LRT), and the Chairman of the New York State Livery Workers Compensation Fund. Please accept my apology for not personally attending the hearing due to personal reasons, and with it my gratitude for allowing me to submit this written testimony.

While the LRT is and has always cared deeply for drivers' benefits, we cannot support Intro 1052 the way it is currently composed, for the following concerns:

1. **The Livery sector cannot comply with a “uniform surcharge to be added to each taxicab and for-hire vehicle fare”.** Unlike other sectors of the For-hire Vehicle industry that collect commission from drivers based on a per-trip basis, and with such technology may add the surcharge to the fare and collect it from the driver, livery bases are not equipped with this capability. The Livery Industry has a dynamically different business model with the vast majority (98%) of livery bases collecting a weekly fee from the driver and not tracking the number of trips undertaken by the driver. Additionally, given the fact that most of the livery trips are paid in cash, bases have no way of knowing if the fare was even paid, and if paid, whether the surcharge was collected.

It should be noted that when the state legislators promogulated the Livery Workers Compensation Fund (Livery Fund), they specifically stayed away from a per-trip charge (which is the practice of the Black Car Fund) as such surcharge is inconsistent with the livery model. Instead, the statue authorizes bases to contribute to the fund on an annual per-vehicle basis, not per trip.

Therefore, we respectfully ask that Intro 1052 be amended to provide a per-vehicle annual fee upon livery bases.

2. **Including Workers Compensation, Unemployment, and Disability benefits may result in duplication of payment by the for-hire industry.** As the committee may know, the industry already has Workers Compensation coverage for For-hire drivers. The Black Car Fund provides a full workers compensation policy. The Livery Fund provides a similar coverage through two responsible entities. The Livery Fund provides coverage in cases of extreme injuries, death, or any injury as a result of a crime, and through statutory requirement that injuries not covered by the Livery Fund be paid by No-Fault insurance. Thus, the livery driver is fully covered for workers compensation.

Additionally, the Livery Fund has been working with the state legislators on establishing an unemployment and a disability benefit funds for drivers across the state similarly structured to the Independent Livery Drivers Workers Compensation Fund. If the Taxi and Limousine Commission (TLC) is to enact benefits in the areas of workers compensation, unemployment, and disability, and charge the industry for this, the industry will find itself paying twice for the same coverage.

Therefore, we respectfully ask that Intro 1052 be amended to either remove workers compensation, unemployment, and disability coverages from the scope it assigned to the TLC, or at least state that there should be no duplication of coverage created by Intro 1052.

3. The Livery Sector is being regulated out of business from 28,000 liveries in 2014 to 12,000 liveries in 2018. The TLC has a long history of promulgating regulations without a firm understanding of the livery industry business model. Thus, many of the rules and regulations are simply impossible for the industry to comply with. Some of these rules clearly showed the TLC's detachment from the different ways each sector operates, providing the TLC an assured revenue stream from non-compliance fines. For its part, during the expansion of TLC regulations, the LRT has stated clearly that the industry is being regulated out of business, and in particular the livery industry. The TLC systematically dismissed the LRT's warnings as "speculations". Unfortunately, the LRT warnings are playing out as we described. Our claims are no longer speculations. Whereas the Livery sector included 28,000 vehicles in 2014, four years later the size of the industry has been reduced to 12,000 livery vehicles. This a decline of about -60% due to over regulations.

In short, the livery industry, based on its model, will be unable to comply with the requirements of Intro 1052 nor is it financially practical to ask the public served by the livery industry to shoulder such a fare surcharge.

Unfortunately, Intro 1052 repeats the TLC's mistake of not distinguishing the models between the for-hire vehicle sectors, and with it, the difference in the ability to comply with fee collection methods and/or the ability to pay for implementing the new law. Moreover, Intro 1052 broad scope and the TLC's short time period for implementation are unreasonable. Please note that it took 12 months to craft the Livery Fund and another 12 months before full implementation.

We urge the committee to hold off in passing Intro 1052 until significant conversation with the different sectors takes place and a narrowing of the scope of Intro 1052 may be crafted to provide a better opportunity for policy success. A poorly crafted policy may well be the last nail in the coffin of the industry. Again, the decline of the livery sector due to regulation is no longer a speculation.

Thank you for taking the time to read my testimony and the opportunity to address this committee. I look forward to working with the members of this committee to address the concerns of the Livery sector.

Sincerely yours,

Avik Kabessa
Founding Member - Livery Round Table

**Testimony of
Ruth Lowenkron, Disability Justice Director
On behalf of
New York Lawyers for the Public Interest
Before
The Council of the City of New York
Committee on For-Hire Vehicles
Regarding
Int. No. 1079-2018**

Good morning. My name is Ruth Lowenkron and I am the Director of the Disability Justice Program at New York Lawyers for the Public Interest (NYLPI). Transit access for people with disabilities is a critical part of our work. Thank you for the opportunity to present testimony today regarding Int. No. 1079-2018, which must result in the creation of an Office of Inclusion that effectively addresses the needs of New Yorkers based on disability and race, and the intersection of disability and race.

I. New York Lawyers for the Public Interest

For over 40 years, New York Lawyers for the Public Interest (NYLPI) has been a leading civil rights and legal services advocate for New Yorkers marginalized by race, poverty, disability, and immigration status. Through our community lawyering model, we bridge the gap between traditional civil legal services and civil rights, building strength and capacity for both individual solutions and long-term impact. Our work integrates the power of individual legal services, impact litigation, and comprehensive organizing and policy campaigns. Guided by the priorities of our communities, we strive to achieve equality of opportunity and self-determination for people with disabilities, create equal access to health care, ensure immigrant opportunity, strengthen local nonprofits, and secure environmental justice for low-income communities of color.

II. NYLPI's Disability Justice Program

NYLPI's Disability Justice Program works to advance civil rights and ensure equality of opportunity, self-determination, and independence of New Yorkers with disabilities. NYLPI disability advocates have represented thousands of individuals

and won campaigns improving the lives of hundreds of thousands of New Yorkers. We have long fought for equal access to public transportation for persons with disabilities, and we are a member of the Access-A-Ride Reform Group (AARRG!). We recently published “Left Behind,” which details the highly deficient e-hail services available to the disability community, including the extremely limited stock of accessible vehicles and the far longer wait times for those few accessible vehicles. NYLPI’s landmark transportation victories include access to New York City’s paratransit system for New Yorkers with disabilities who are limited English proficient.

III. Creating an Office of Inclusion within the NYC Taxi and Limousine Commission

NYLPI applauds the For-Hire Vehicle Committee’s proposal to create an office of inclusion within the NYC Taxi and Limousine Commission (TLC). We are particularly supportive of the proposed roles of the Inclusion Office to gather and report statistics, address issues related to discrimination, develop policies and best practices, train drivers, establish a complaint mechanism, and serve as a resource to support the needs of persons with disabilities in receiving appropriate services from the TLC. The need for the Inclusion Office with respect to disability issues could not be clearer. Persons with disabilities constitute nearly 11% of the population in New York City. <https://www1.nyc.gov/assets/mopd/downloads/pdf/selected-characteristics-disabled-population.pdf>. In addition, the incidence of disability in communities of color – another key concern of the Committee and of Int. No. 1079 – is higher than among whites. While 10.9% of New York City residents who are white have disabilities, 12.9% of residents who are Black have disabilities. *Id.* In order to ensure that the Office of Inclusion effectively addresses all aspects of discrimination, as well as deficits in service, by the for-hire vehicle industry, it must undertake measures which are informed by race and disability, as well as the full range of the intersection of race and disability.

We propose the following modest amendments to Int. 1079:

Section 2305(c)(2): The legislation should clarify that the statistics being gathered about affected “communities” must specifically include the disability community. In addition, the statistics gathered should not be limited to those related to “service refusals,” but rather should deal with all aspects of discrimination against riders with protected characteristics.

Section 2305(c)(9): Similarly, the proposed complaint mechanism must not be limited

to ensuring that “service refusal complaints are processed by the appropriate authorities.” Rather, all aspects of discrimination should be subject to the complaint mechanism.

Section 2305(c)(5): The “best practices” training on “how drivers can meet the needs of passengers with disabilities” must encompass passengers with all types of disabilities, and include all practices related to rides taken by persons with disabilities, including care of mobility devices, communicating with persons who are Deaf, and advising persons with visual impairments awaiting a ride once the vehicle has arrived, to name a few. Most critically, the training should be provided by persons with disabilities who are experienced in providing such training.

Section 2305(c)(10): Similarly, the ability of the Inclusion Office to “[s]erve as a resource to support the needs of persons with disabilities in receiving services from vehicles licensed by the commission” will be greatly enhanced if staff at the Office includes persons with disabilities.

Section 2305(c)(1): In keeping with the Committee’s concerns about the rights of persons with disabilities, we urge the Committee to compile driver demographic statistics that include disability. Persons with disabilities have the lowest employment rate in New York City, with nearly 33% unemployed, <https://www1.nyc.gov/assets/mopd/downloads/pdf/selected-characteristics-disabled-population.pdf>. All government agencies must therefore do all they can to oversee the employment statistics of persons with disabilities, including employment as for-hire vehicle drivers, and to increase the number of persons with disabilities employed.

IV. Conclusion

Thank you for your efforts to eliminate discrimination in transit for New Yorkers. I can be reached at (212) 244-4664 or RLowenkron@NYLPI.org, and I look forward to additional opportunities to work with you to ensure that persons with disabilities have equal access to transportation in New York City.

September 17, 2018

Testimony to the City Council

of

Lucius Riccio Ph.D. P.E.

September 17, 2018

Regarding For Hire Vehicles

Mr. Chairman, thank you for the opportunity to testify in support of the critically important legislation proposed. The very survival of our essential transportation institutions is at stake and you have addressed that concern with diligence and wisdom.

As a former NYC Transportation Commissioner and as a former MTA Board member, I congratulate the Council and the Mayor for finally placing a limit on the growth of the digitally based For Hire Vehicle industry. Without that legislation, the transportation institutions which have enabled the City to grow and business to thrive, the very bed rocks of our economy, could be weakened to the point that NY would lose its place as the leading City in the world.

I am especially supportive of the studies you propose. The public needs to understand the damage that is being done and the opportunity that is being missed. I am hopeful that these studies will return sanity to decision making in the transportation sector.

Although I would like to see, as I have testified before, a limit placed on FHV's equal to the number of yellow and green medallions in existence, I understand that might be much to ask. I have also testified that the FHV's are getting away with institutional murder by operating without paying anywhere near their fair share of street space. Yellows and Greens pay a medallion fee and then pay about \$15,000 per year in taxes and fees. The FHV's pay \$275. They don't even pay the MTA 50 cent per ride surcharge.

Not charging them what the medallion vehicles pay is a missed opportunity to raise the money needed for mass transit and other transportation improvements, improvements which are necessary for NY's future. Not only must we bring our current system into a state of good repair, we need a new subway line each decade for the next 100 years just to stay comparable to the other great cities in the world. Where is that money going to come from?

Charge the FHV's what the City charges medallion vehicles! The yellows have a contract with the City for the exclusive right to spontaneous rides in the midtown area. That contract, born from the medallion fee and reinforced by the creation of the Green cab regulations, has been violated by the City by allowing the new FHV's into that space without paying and without an EIS.

To correct this economic injustice and policy mistake, I propose that the Council charge any of these new FHV's a fee of \$10,000 per year if they want to pick up in the midtown area, and a

charge of \$1,000 to operate outside of the area. In essence I want the Council to designate the new FHV's as either Yellow FHV's or Green FHV's. The Yellow Ubers, Lyfts and Vias would pay \$10,000 per year which will give them the right to pick up in the midtown area and anywhere else in the City. The Green Ubers et al would pay \$1,000 per year and could only pick up outside the midtown area. They would operate under the Green Medallion rules.

I estimate that this could raise between 500 million and 1 billion dollars per year, enough to facilitate the rehabilitation of our mass transit system. It would also improve traffic and re-balance the economic injustice which has come to pass in the last few years which has led to chaos and even death.

As such I hope you will pass all the bills on the docket. But I also hope you will continue to propose and pass more bills, like the one I put forward today, to help improve our City's proven and essential transportation institutions.

Thank you.



**Testimony of Kristen Johnson
LDF/Fried Frank Fellow
NAACP Legal Defense and Educational Fund, Inc.**

**Before the New York City Council
Committee on For-Hire Vehicles**

Supporting Int. No. 1079

New York, NY

September 17, 2018

I. INTRODUCTION

Good Afternoon, Chair Díaz and members of the Committee. My name is Kristen Johnson and I am testifying on behalf of the NAACP Legal Defense and Educational Fund, Inc. (LDF). Thank you for the opportunity to testify today in support of Introduction 1079. I have testified before the City Council twice this year to oppose plans to lower penalties for discriminatory service refusals. In both cases, the legislation the City Council ultimately enacted did not contain the provisions that would lower these penalties. We are gratified that the Council took our concerns and those of others seriously. Likewise, we are encouraged by the initiative to create an Office of Inclusion, which we believe has the potential to meaningfully address the widespread and persistent problem in this city of trying to hail a cab while Black. I urge you to vote “Yes” on this bill.

LDF is the nation’s oldest civil and human rights law organization. LDF was founded in 1940 by Thurgood Marshall, who later became the first Black U.S. Supreme Court Justice. Since its inception, LDF has used legal, legislative, public education, and advocacy strategies to promote full, equal, and active citizenship for Black Americans. This has included litigating seminal cases such as *Brown v. Board of Education* and *Newman v. Piggie Park Enterprises*, which upheld Title II of the Civil Rights Act of 1964 and its prohibition on racial discrimination in public accommodations. LDF has also been on the frontlines of opposing racial profiling, whether practiced by law enforcement agencies, department stores, airlines, or, as in the matter under discussion today, taxicab drivers. LDF’s work has long recognized that full citizenship for Black Americans requires the elimination of discrimination in public spaces—schools, transportation, public accommodations—and the transformation of these spaces to protect the

dignity of communities of color. Since our incorporation in 1940, LDF's headquarters have been located in New York

II. TESTIMONY

For decades, Black New Yorkers have lived with the uncertainty of whether a taxi, licensed by the city, will refuse to serve them. Beyond violating the law, these persistent ride refusals are an attack on our dignity. LDF's Director-Counsel, Sherrilyn Ifill, has been vocal about her experiences with such discrimination, and I have previously testified before this Committee about the frustrations faced by many others in New York City of trying to hail a cab while Black. We have worked with the TLC and testified before the City Council to try to end these unacceptable denials of service and send a clear message that New York City will not tolerate this discrimination anymore. Discriminatory ride refusals have been illegal for 50 years, and we previously warned that they will persist for at least 50 more years unless the city starts taking the problem more seriously. We believe that passing this bill to create an Office of Inclusion will demonstrate the city's commitment to taking the problem seriously, and will be a significant step towards addressing discrimination against Black people in the taxi industry, a long-time open and ubiquitous fixture of New York City streets.

The Office of Inclusion can play an important role in making transportation more equitable for people of color in New York City. To do this most effectively, we would make several recommendations regarding the implementation of Introduction 1079:

First, Introduction 1079 refers only to the Director of the Office of Inclusion. The Office, of course, cannot be effective unless it is adequately staffed and funded. The Office should be staffed with a sufficient number of people to perform all the responsibilities of the Office and test new programs, and the staff should reflect the diversity of New York City. We further recommend

that someone within the Office be designated the responsibility of serving as an Office of Inclusion liaison to the Mayor's office and the City Council. While Introduction 1079 requires the Director to submit an annual report to the Mayor and the City Council speaker, we believe the Office will only be effective if there is consistent communication and support for its programs.

Second, the Director of the Office of Inclusion must be a highly qualified leader. This new office will require someone who will lead with vision, determination, and a strong commitment to fighting racism and all forms of discrimination. The Director should be a reform-minded individual well-versed in relevant civil rights laws and experienced in anti-discrimination advocacy. The Director should also be familiar with local organizations and community members who have been involved in these issues and should be committed to working side-by-side with them and other stakeholders. The Director should be familiar with successful programs and practices in other major cities and should be willing to solicit input from external experts on these issues to help develop best practices. Finally, the Director must be independent, with the sole mission of carrying out the responsibilities outlined in Introduction in 1079 and ending discrimination in the New York City taxi industry.

Third, we believe the responsibility of the Office of Inclusion to "compile and report statistics relating to which communities are affected by service refusals" is vital. The impact of this reporting, though, will only be as good as the data. We recommend that the data collected reflect both information from drivers and the experiences of a statistically significant pool of people who use taxis on a regular or moderate basis. This data should include the pick-up locations where ride-refusals are most common, as well as the destinations that more frequently result in ride-refusals. This data should also be disaggregated by at least race and/or ethnicity, gender, whether the person has a disability, age, and number of people in the party attempting to hail a

taxi. This data could provide a foundation for compiling and developing best practices, tailoring driver trainings, directing public education and outreach campaigns, monitoring progress, and developing programs that could be tested strategically and implemented more broadly if proven to be effective. We also recommend that the anonymized raw data collected by the Office be made publicly available on the city website.

Fourth, we recommend that the Office of Inclusion regularly solicits input from stakeholders and the community, both in person through designated open meetings and by phone and email, with contact information posted on the city website and in taxis.

Fifth, we recommend that the Office of Inclusion study the frequency with which taxi drivers are subjected to discriminatory harassment while on the job, which might include racist and/or religious-based slurs, vandalism to the vehicle, or unfounded passenger complaints motivated by bias.

Finally, we recommend that the Office explore different measures that could help deter racially biased ride refusals, including increasing fine amounts and other sanctions or programs for drivers found to have refused service based on race, and enhancing the TLC's ability to extend accountability measures, including fines to medallion holders, agents, garage owners, and other stakeholders higher up the economic chain of ownership.

The Office of Inclusion has the potential to present bold, innovative solutions that can finally put an end to racial discrimination in the New York City taxi industry. For this to happen, though, the Office must be given the necessary resources and support. Indeed, the Council must commit now to make the necessary budgetary allocations to ensure the Office fulfills its mission. We respectfully request that the Council vote "Yes" on Introduction 1079 and commit to ensuring that the Office of Inclusion is empowered to meaningfully deter pernicious discrimination against

Black commuters in our city, and LDF would welcome the opportunity to help the Office of Inclusion and the TLC achieve this goal.

**Testimony by James Conigliaro, Jr, Founder & President
Independent Drivers Guild
Before the Committee on For-Hire Vehicles
September 17, 2018**

Good Morning Chairman Diaz, members of the Committee on For-Hire Vehicles. My name is James Conigliaro, Jr., I am the Founder and President of the Independent Drivers Guild - IDG. This Committee and this Council accomplished a great deal over the last several months and as the IDG supported and worked with you on those efforts, we are here today to continue to work with you to ensure our drivers are provided the benefits and protections they sorely need. There are many important bills on today's agenda with very little time given for testimony. In the interest of time I will focus my testimony today in support of Intro 1052 which provides FHV drivers with health and other benefits, Intro 1070 which would authorize TLC to regulate FHV leasing practices, and Intro 1079 which would establish a TLC Office of Inclusion.

As you know, IDG is an affiliate of the International Association of Machinists and Aerospace Workers (IAMAW) that represents 65,000 app-based drivers.

We strongly support Speaker Johnson's Intro 1052. New York City's drivers have long been Independent Contractors and without the basic social safety net the average worker takes for granted. The vast majority of our members are either underinsured or do not have health insurance for themselves and their families let alone any other benefits such as disability insurance or paid family leave. About half of those that do have health insurance are on Medicaid or on a NYS Essential Plan.

The IAM helped create the Black Car Fund in 1999 to provide workers comp for black car workers through a surcharge to passengers. But according to an internal survey, 90% of drivers on the road did not have vision insurance — a huge public safety issue — so we are working with the Black Car Fund to provide and enroll drivers in free vision insurance and tele-med services to full time workers.

The IDG is also pursuing an expansion of the Black Car Fund on the state level to provide all the benefits listed in this bill to drivers statewide. A statewide surcharge would reduce the impact on individual consumers while providing the same benefits. A statewide expansion may provide for a more efficient program covering more drivers,



and is a replicable model for other states, but we fully support the City bill to pressure the industry to do better and act faster.

I need to stress that any entity the TLC may choose to administer this program should not only be **experienced in providing benefits and enrolling drivers in them**. Drivers are not like the vast majority of the American workforce. They are very diverse, speak many languages, are immigrants from over 175 countries, and are highly decentralized.

We support Intro 1070 by Council Members Moya and Diaz. Since the City Council chose to regulate vehicle licenses rather than driver licenses, Uber, Lyft, Juno, Via, and medallion owners will continue to flood the labor market by leasing cars to drivers. Much like the medallion system, it is causing a shortage of vehicles which will cause leasing costs to skyrocket due to a shortage in vehicle supply and incentivize unfair and predatory business practices if not regulated and enforced by TLC. IDG members who rent or lease their for-hire vehicles report expenses of \$10,000 more per year than the expenses of their colleagues who purchase their vehicles.

It already is incentivizing predatory business practices. The Vehicle Cap only allowed drivers who are in Lease to Own agreements that exceed two years to be able to obtain a vehicle license. But Tower, American Lease, and Buggy are refusing to sign over ownership paperwork to drivers for several of our members and there is nothing we or the City can do.

Those companies still own an abundance of already licensed vehicles, so the supply, and along with it the leasing price, has not been pressured very much yet, but we expect within a few months prices will skyrocket without City Council intervention. Intro 1070 is that necessary intervention.

The IDG also wholeheartedly supports **Intro 1079 by Council Members Richards, Adams, Rose, Cumbo, Levin, Ampry-Samuel and Diaz**, creating an Office of Inclusion within the TLC. Racist and discriminatory practices cannot be tolerated by drivers, companies, medallion owners and passengers alike. This concept was originally intended to help curb the racism against passengers that is prevalent in the taxi industry. But the bill includes language that could also be used to protect drivers from the racist bias of passengers which is being emboldened by demagogues like President Trump, which leads to hundreds of our members being harassed and fired from their jobs every month.



Thank you, Chairman Diaz, members of the committee and the bills' sponsors for continuing to look out for our members. Additional comments are included on my submitted testimony starting on page 3 and our staff will be contact with your committee staff with additional information and discussions.

I am happy now to answer any questions that the committee may have.

###

Additional Comments (offered for the record)

1062 Council Member Grodenchik - Support. Ensures company is responsible for breakage. This bill prevents one of the many forms of wage theft that are common in this industry. A passenger will sign up for a service with false credentials and false debit or credit card information, take a ride or several rides, but when the company attempts to process the charge, it fails. While Uber and Lyft no longer do this, many companies remove the payment from that trip from the driver's pay even though the driver had no control of the situation. This bill correctly puts the responsibility of breakage on the company that is able to field its passengers and that is processing that payment.

1079 Council Members Richards, Adams, Rose, Cumbo, Levin, Ampry-Samuel and Diaz - Support, seeking amendment to more explicitly protect drivers. Creates an "Office of Inclusion" to fight discrimination. This was originally intended to help curb the historic racism against passengers that is especially prevalent in the taxi industry. However, the bill includes language that could also be used to protect drivers — who are working class immigrants from over 175 countries — against being fired from their jobs because of racist bias from our passengers. That racist bias that is being emboldened by demagogues like President Trump leads to hundreds of our members being fired from their main source of income every month.



Alex Rosenblat, technology ethnographer trained in sociology who is a researcher at Data & Society, along with Karen Levy of Cornell University, Tim Hwang of Data & Society, and Solon Barocas of Microsoft Research has covered the issue in *Discriminating Tastes: Customer Ratings as Vehicles for Bias* which you can find here:

https://drivingguild.org/discriminating_tastes_customer_ratings_as_vehicles_for_bias/.

While it was published in October 2016 and some information in that report may be outdated, the underlying problem persists.

Suggested amendment: § 2305 c. 3. Should be more explicit in that the director's goal is to protect both passengers and drivers. There are policy suggestions especially around reporting in *Discriminating Tastes: Customer Ratings as Vehicles for Bias* that could be used as a baseline policy. More explicitly protecting drivers could vastly improve the working and living conditions for the tens of thousands of new Americans that use this industry as a foothold to pursue the American dream.

Unnumbered Bill by Chairman Diaz - Oppose

Restricting companies from payroll deduction to pay leases would put additional costs and risks on the leasing companies which — without further regulation — will likely act as a catalyst for leasing companies to increase leasing pricing and costs while not improving conditions for workers.

What we recommend instead of this bill, which we believe may meet the desire of the Councilmember is to ban referral cash kickbacks from leasing companies like Buggy, American Lease, and Tower to companies like Uber and Lyft.

Please let us know if you have any questions or need any additional data or information. Please contact:

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 Ryan Price, IDG, ryan@drivingguild.org, (718) 841-7330



Testimony of Zubin Soleimany, New York Taxi Workers Alliance
New York City Council, For-Hire Vehicle Committee Hearing: Int. 1070
Scheduled for September 17, 2018

Good afternoon Chair Diaz, and Committee members. My name is Zubin Soleimany and I am a staff attorney with the New York Taxi Workers Alliance, the 21,000 member strong union of drivers of yellow cabs, green cabs, and black cars.

The NYTWA strongly supports the goals of Int. No. 1070, but proposes changes to strengthen its requirements for comprehensive regulation and meaningful enforcement of FHV leases and sales. In April of this year NYTWA submitted to the TLC a proposal for rulemaking that created a comprehensive regulatory scheme capping the amounts that for-hire vehicle owners or agents could charge drivers for the lease or sale of for-hire vehicles.

In large part, TWA's rulemaking proposal required the TLC to extend current protections provided to lessees and buyers of taxicab vehicles to the FHV sector. It is these rules that have allowed taxi drivers transparency in their contracts for vehicles, limited the costs they can pay, and required restitution for overcharges and wage theft in the taxi industry.

This legislation is essential because currently, the financing, sale and lease of TLC-licensed for-hire vehicles is subject to almost no regulation under local or state laws. Currently the sale and lease of FHV's are exempt from the state and federal laws that require transparency and disclosures, as well as from the TLC rules that apply maximum lease rates to taxicab vehicle sales.

Without these protections, we are seeing in the FHV sector the kind of violations that used to be more common in the taxi sector: usurious vehicle loan rates, drivers made to pay for the owners' TLC violations, vague and various unexplained fees.

Beyond simply empowering the TLC to regulate the sale and lease of FHV's, the Council should provide benchmarks requiring, at the least, that the TLC establish weekly maximum rates for lease and sales payments, as well as the maximum cost for the sale of an FHV. Currently, the TLC caps at \$275 the amount a taxicab owner or agent may charge for the weekly sales price of a vehicle, and limits payments to a total of 156 weeks, for a total sales cost of \$42,900. This amount includes liability insurance and license fees, but not medallion fees. Meanwhile in the FHV sector, drivers are often paying far more for similar vehicles. One driver was made to pay \$77,350 for a basic Toyota Sienna minivan that would have retailed for \$28,700. If the same sale were subject to current TLC rules governing taxicab sales (not counting medallion payments), the driver could not have been charged more than \$42,900. That is a \$35,000 difference over three years. Another member was required to pay \$78,000 for a used vehicle that had an approximate bluebook value at the time of sale of \$28,500.

We see drivers who never receive receipts for their payments, or whose receipts include mysterious charges for summonses they never got, and legal fees for summonses they never heard about. One driver, was charged for a summons issued by the TLC to the vehicle owner, based on the conduct of the driver who had leased the vehicle before he did. Drivers made to do

all their repairs at a specific garage, in violation of antitrust law. All of these practices would be violations of analogous TLC rules that currently apply to taxicab owners and agents, yet are not directly addressed by TLC rules governing FHV owner conduct.

Although the TLC currently maintains rules prohibiting fraud and theft and “acts against the public interest,” the TLC has, so far, failed to prosecute any FHV owners for the acts described above.

Further, the Council needs to ensure that the TLC is properly funded and staffed to ensure compliance with these rules. So, while the passage of this bill, and accompanying TLC regulations is essential to economic justice in this industry, these rules will by themselves be meaningless without zealous enforcement. Rules protecting taxi drivers are currently enforced by the TLC’s Driver Protection Unit. While the DPU has the potential to create economic justice in the taxi and FHV industry, so far, it has been so understaffed that it has not been able to effectively enforce even against violations in the taxi sector alone. In practice this means that clear and uncontestable complaints against taxi owners, often go nowhere because TLC has neither the manpower or the inclination to pursue them. This is unacceptable. Considering this situation, we are more than a little concerned, that while adding protections for 80,000 more drivers, the TLC will not be equipped to handle this new responsibility, let alone its current responsibility without a significant allocation of resources to its Driver Protection Unit.

When TLC driver licensees break the rules, the consequences are swift and severe. The same force should be brought to bear when bosses, owners and brokers break the rules. We look forward to not only seeing justice written for FHV drivers, but seeing justice actually done. We hope you will support not only this legislation, but our push for meaningful regulations at the TLC, and most importantly for zealous and just enforcement of those rules.

Thank you for the opportunity to comment on the pending legislation.

Zubin Soleimany
Staff Attorney
New York Taxi Workers Alliance.



New York Taxi Workers Alliance

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September 17, 2018

Honorable Council Speaker Corey Johnson
City Hall
New York, New York 10007

Honorable Councilman Ruben Diaz, Sr.
250 Broadway, Room 1804
New York, NY 10007

Dear Honorable Speaker Johnson and Honorable Chairman Diaz:

We want to thank you, Speaker Johnson, Chairman Diaz and bill sponsors Council Members Rodriguez (Int. 304), Grodenchik (Int. 1062), Levin (Int. 1068), Levine (Int. 1069), Moya (Int. 1070), Richards (Int. 1079) and Salamanca (Int. 1081) as we continue with Phase II of legislation to address the race to the bottom and crisis among taxi and FHV drivers. We campaigned on each of these proposals, including having submitted a detailed Policy briefing in April and our Civil Rights Initiative in July, and you heard us and took action through intros that will help improve the lives of a workforce of over 100,000 New Yorkers. While we know it will still take time for drivers to materially feel the impact of these bills, along with the historic FHV Vehicle Cap, FHV Driver minimum wage requirement and first-time regulatory framework for Wall Street financed App companies, we hope every Council Member knows that your actions to date have given a new sense of hope to a workforce that has been in a crisis like we have never seen before. The intros before the Council today are a starting point in addressing the ways drivers are left in poverty through predatory lending, high rates of foreclosures and bankruptcies and nickel and diming deductions from their hard-earned income, left vulnerable without healthcare and financial safety nets when unable to work due to illness or injury, and left at a disadvantage without full financial transparency in an industry that has shifted all the major cost of operations onto their shoulders.

Regardless of sector, each driver starts at a negative, works long 10-12 hour shifts, bears the risks of street closures and mechanical failures, and faces threats to safety on the job. Over the past three years, we have suffered as a job that once provided stable and above minimum wage income has been shredded into “gigs” with poverty pay. The full package of bills – those already passed and those introduced on August 8th – will help put us back on the road to recovery, and give us a fighting chance to stop the poverty and transform this job back to where it once was and from there, make it what it should be.

We write in general support of the proposed bills and to request the following amendments:

Int. 1070 (Moya): Leasing, rental and conditional purchase of for hire vehicles

At the April 30th, 2018 FHV Committee Hearing, Abraham Lobe testified calling for a bill to regulate the FHV leasing sector.

I entered into a lease-to-own agreement for a used Lincoln MKT, for 3 years of \$500 weekly payments. The car was already one year old with 30,000 miles on it. The estimated bluebook value would be around \$28,500 while I paid \$78,000. I was also required to fix repairs only at their garage.

The company would own the car until the end when they would sell it to me. About a year in, the company failed to renew the FHV license. Because they were the owner they had to do that-- they were the only ones who could file the TLC paperwork. With the license expired I couldn't drive for three weeks. They didn't provide me a loaner car. I couldn't work so I couldn't keep up with my bills. No savings, no income, I became homeless.

When the car was ready, they told me to come back and sign on an electronic signature box to get it back. Later I found that they attached this signature to another contract that I had never seen--- this was a contract with a company with a totally different name, for even more payments than I had originally signed up for.

I paid them more than \$78,000 but they refused to give me title to the car. They continued to bill for the weeks when I couldn't even use the car. They billed me for summonses that I had never heard of. I did a freedom of information request and found that they were charging for summonses that vehicle owners have to pay. They even charged for a summons related to the driver who had the car before me.

I made a complaint to TLC because they had put my signature on a contract they never showed me, but they took no action. In desperation, I went to the company to try to pay the extra money they wanted, to get the title to my car, even though I knew I shouldn't owe them that, but they wouldn't give it to me. They said they wouldn't let me make those payments because I had made a complaint to the TLC.

Even though they retaliated against me for making a complaint about forging my signature and trying to get me into a longer contract TLC has still done nothing.

We need the City Council to pass this bill, make sure the TLC passes rules that prevent this, and make sure that they actually enforce against violations. –Abraham Lobe

Across the FHV sector, drivers are responsible for all vehicle-related expenses, from the purchasing price, maintenance, repairs, and insurance. Maintenance alone can cost up to \$8,000 per year. Leasing costs for a driver leasing or financing a car through an Uber-affiliated broker can cost \$450/week for the vehicle and insurance. A recent advertisement from Uber showed weekly lease and insurance rates of \$350-\$399/week. That's \$18,200 to \$20,800 per year; or over three years, \$54,600 - \$62,400. We also have documented cases of members paying close to \$80,000 to purchase cars, including used ones.

- **Abraham Lobe** entered into lease-to-own agreement for 3 years of \$500 weekly payments. He paid **\$78,000** for a used Lincoln MKT with 30,000 miles on it.

Abraham's story is not isolated:

- **Md S Islam** entered into a lease to purchase agreement with Tower. The contract was for \$369 in weekly lease for up to 186 weeks, plus a \$1,000 down payment. He paid **\$69,634** for a 2014 Toyota Camry with 5,000 miles.
- **Bahi Antaole** leased a car from American Leasing Company at \$452 per week for up to 186 weeks. He paid **\$84,072** for a Toyota Sienna.
- **Salifou Halirou** leased from American Leasing Company, paying \$425 per week for up to 182 weeks and \$825 down payment. He paid **\$78,175** also for a Toyota Sienna.
- **Lamine Bah** paid \$425 per week for up to 186 weeks, totaling **\$79,050** for a Toyota Sienna, also to American Leasing.

The predatory lending practices rampant in the sector are a result of two factors: the oversaturation of vehicles and lack of regulation over this sector. In their quest to flood the streets, companies such as Uber promised drivers bonanza earnings on one hand and low-cost car leases on the other. Uber agreed to settle charges with the Federal Trade Commission for \$20 million over false advertising on how big drivers could earn and with how little you could buy a car, even with bad credit.

As reported in *Gizmodo*: “The FTC accused Uber of making “false, misleading, or unsubstantiated claims regarding driver earnings” on its website and in ads on Craigslist, in an investigation that began in spring 2015. The company had claimed, for example, that drivers in New York earned a median \$90,000 annually and that drivers in San Francisco earned a median \$74,000 per year. **The FTC investigation found that less than ten percent of drivers in those cities earned the advertised rates, according to the agency’s complaint.** In fact, New York drivers’ (GROSS) earnings were closer to \$61,000 and San Francisco drivers’ earnings were closer to \$53,000, the FTC found. **The FTC also alleged that Uber was misleading about the financing options it could offer drivers.**”¹ (Emphasis added). Again, the cited earnings are Gross, before vehicle, gasoline and other expenses. A few months prior to the FTC fine, Uber shut down its own in-house leasing program which it operated nationally except in NYC.²

Starting in 2014, across the city, companies bought cars at bulk and entered into third-party agreements with Uber to have the lease deducted directly out of driver incomes from the company. In 2015, many Council Members will recall that leasing companies were the loudest corporate naysayers against a temporary cap on new FHV cars. Uber gives promotional flyers with names of the companies and drivers are sold “first week free” bonuses if they show their Uber affiliation. If a driver misses work for any reason, the leasing companies are forwarded the

¹ <https://gizmodo.com/in-letter-uber-said-drivers-didnt-make-advertised-earn-1820928444>. “In Letter, Uber Said Drivers Didn’t Make Advertised Earnings Due to Their ‘Choices’”, Kate Conger, 12/21/2017

² CEO Dara Khosrowshahi explaining at a staff meeting, “Especially in times of trouble -- and right now Uber is in some trouble as far as public perception goes -- you really want to focus on the core, and the core of this business is what’s going to pay the bills.” <https://www.bloomberg.com/news/articles/2017-10-25/uber-is-said-to-take-bids-for-its-subprime-lending-unit-s-assets>. “Uber Fields Bids for Its Subprime Lending Unit’s Assets”, Gabrielle Coppola and Eric Newcomer, October 25, 2017

current week's lease plus any debt, even if the driver is left with no income at all after the deductions. One of our members, Jeffrey Shepherd, is one of three drivers found to be an employee eligible for Unemployment benefits after he was left with a penny in earnings from Uber as a result of the deductions.³ The companies may also charge fees above the weekly rental lease or financing charges and insurance, including a program to cover repairs, TLC vehicle licensing fees, and termination fees. Weekly \$150 add-ons alone could total \$7,800 at the end of the year. Drivers are nickel and dimed to starvation.

Along with predatory financing and leasing, unlimited weekly deductions, and unregulated "add-ons," drivers who enter into lease-to-own agreements also face problems when trying to retrieve the title of their vehicle. The leasing companies also activate or "deactivate" your account, set hours of work and number of hours required and can retaliate if you file complaints against their practices at the Taxi and Limousine Commission.

Passing Int. 1070 is the first step in providing protections to drivers in the largest sector of the industry today. The legislation and subsequent TLC rulemaking is all the more critical as drivers' rights are not protected under city and state consumer laws which only apply to agreements over cars for personal use, not commercial activity.

In 2012, NYTWA lead a campaign at the TLC to cap the financing expenses paid by drivers in the medallion yellow cab sector. Agents – entities that lease the medallion and finance the sale of the vehicle have been subject to the "All-in lease cap" which stopped the practice of bypassing the TLC's medallion lease cap by arbitrary add-ons cited as "vehicle expenses." Both in our proposal to the City Council and our Petition to Initiate Rulemaking to the TLC, we modeled our demands for FHV driver protections around what we have already won for drivers in the yellow cab sector.

We should also note that it does not serve the interests of Uber, Lyft, etc. to be out, guns blazing, against this legislation. Given that the TLC is engaging in rulemaking to guarantee High Volume FHV driver earnings as mandated by the Council, Uber and Lyft themselves have a vested interest in stopping predatory lending practices which have further eroded the earnings of drivers whom the companies leave empty 42% of the time. Simply put, if Tower, American Leasing, FastTrack or Buggy want to charge exorbitant leases, leaving them under poverty, Uber, Lyft, et al will now have to subsidize them, it will no longer fall on the drivers.

Call for Amendments

- The legislation must create a class of licensees who can legally engage in leasing or financing vehicles to be used for For-Hire-Vehicle service. This would authorize the TLC to regulate good business standards the entities must meet in order to engage into agreements with drivers and continue to regulate more broadly and timely as the industry develops.
- The TLC should be required to carry out rulemaking in no less than 60 days from the date of the signing of the bill.
- The legislation should require current rates to be frozen.

Support for TLC Rulemaking

³ <https://www.timesunion.com/tuplus-opinion/article/For-this-ex-driver-Uber-gig-was-ticket-to-10819835.php>

While we are pleased that TLC Chair Meera Joshi has already proposed a number of our proposals for rulemaking, we seek the support of Council Members as we pursue regulations which await the passage of Int 1070:

1. For both Leased Vehicles and Driver Owned Vehicles, after deducting the week's lease, the leasing agent or the base may not leave the driver with less than 60% of the driver's income after collecting any outstanding lease balance.
2. Leased vehicles (when driver leases the vehicle for use from a TLC-certified leasing agent)
 - i. Lease cap of \$350 per week
 - ii. Lease must include:
 1. Use of car
 2. TLC diamond
 3. DMV TC plate
 4. Insurance
 5. Maintenance and service of the vehicle
 6. If the car is not available due to no fault of the driver, the lease must be pro-rated
 - iii. Security deposit of no more than one week's lease
 1. Deposit must be held in an interest-bearing account
 2. Minus only parking or red light camera tickets issued to the leasing agent for which the driver is responsible, the deposit and interest must be returned to driver within one week after the last week worked
3. Driver Owned Vehicles (when driver is leasing to purchase the vehicle from a TLC-certified leasing agent)
 - i. Leasing term cannot be longer than 156 weeks
 - ii. Lease cap of \$275 per week and the total payments cannot exceed \$42,900
 - iii. Lease must include:
 1. Use of car
 2. TLC diamond
 3. DMV TC plate
 4. Insurance
 5. Full vehicle purchase costs, including sales taxes
 - iv. Up to two drivers can contract and use the vehicle for hire
 - v. A vehicle leasing agent may offer full coverage insurance at no more than \$50 per week
 - vi. The deductible cannot be greater than \$250
 - vii. The leasing agent must reimburse the driver in full if the driver paid for the repairs of the car in case of any insurance proceeds
 - viii. Security deposit of no more than one week's lease
 1. Deposit must be held in an interest-bearing account
 2. Minus only parking or red light camera tickets issued to the leasing agent for which the driver is responsible, the deposit and interest must be returned to driver within one week after the last week worked in all circumstances, including if the driver cancels the contract early

- ix. Cancellation charge of the vehicle lease to purchase agreement between the leasing agent and the driver cannot carry more than a \$500 fee to the driver
- x. Deposit on vehicle purchase of no more than \$2,500, to be paid back to the driver on a weekly basis.
- 4. Company cannot force where the driver vehicle owner has the car repaired
- 5. If an insurance claim post-accident is handled by the company, the money must be forwarded to the driver vehicle owner if they paid for the repairs
- 6. If a leased car is not available for the driver due to no fault of the driver, then the lease must be pro-rated to the hours the driver is actually able to work
- 7. TLC regulation to strictly lay out additional charges
- 8. Make any Improper Charge actionable by the TLC
- 9. Make restitution provisions mandatory so drivers may always recover stolen wages after a violation has been found
- 10. Enable a private right of action for violations so that drivers may retain the right to file action in civil court to recover damages
- 11. Allow TLC prosecution for class recovery when its investigation finds the wage theft practice has been systemic and wide-spread
- 12. Forbid companies from retaliating drivers who make a good faith complaint

Int. 1069 (Levine): Addressing the problem of medallion owner debt and Int. 304 (Rodriguez): Create taskforce to study medallion taxicab values

While Int. 1070 offers economic protections to FHV drivers, Int. 1069 and Int. 304 address the crisis of foreclosures and bankruptcies crushing yellow cab medallion owner-drivers. We look at both bills together as there should be better coordination between the programs required by each of them. Several hundred owner-driver medallions are now in storage or have been foreclosed. Owner-drivers whose loans have been paid off or whose loans are not under water see the rapid 80% loss of medallion value as the loss of their retirement and downgrading of their borrowing capability. Owner-drivers who continue to work, even while their loans are under water, do so primarily to preserve a full-time income after having “purchased their careers.”

Nicanor Ochisor, who took his own life in March 2018, was nearing retirement after splitting shifts with his wife for three decades. A grandfather in his sixties, he saw no prospects of retiring with dignity, but instead, the twilight years of his life in poverty after he’d served the City for over 30 years behind the wheel. Two months later, Kenny Chow took his own life. Kenny’s last medallion mortgage payment had bounced. After losing his job in the jewelry industry, he entered the taxi business, using all of his savings and borrowed money to purchase a medallion to buy his job security. As the industry took an economic downturn, Kenny found it impossible to keep up with operating expenses, let alone living expenses, such as college tuition and healthcare for his family. Nicanor and Kenny’s stories reflect the two realities confronting owner-drivers across this industry. For every Nicanor and Kenny fighting desperation, Int. 1069 and Int. 304 can build the path to providing real material support.

Owner-driver expenses average \$5,500 to \$9,000 per month. Of the expenses below, only the medallion mortgage and Workers Comp insurance policy are variables, dependent on the loan amount and whether or not you drive alone, respectively. All other expenses are fairly typical

across the board. A bad accident where the car is totaled is also an unpredictable variable which could wipe you out financially and in further debt. Unlike years past, it's virtually impossible for owner-drivers to leverage their loans when purchasing new vehicles. And unlike FHV's, yellow cabs must be retired after six years, be brand new when first hacked up, and be limited to a model approved by the TLC.

Owner-Driver Expenses	Monthly	Annual
Medallion Mortgage (Loan of \$650,000)	5,028.00	60,336.00
Liability Insurance	578.00	6,936.00
Workers Comp	241.67	2,900.00
Tax Stamp	83.33	1,000.00
Medallion License	58.75	705.00
TPEP	50.00	600.00
Car Maintenance	666.67	8,000.00
Vehicle Purchase	590.00	7,080.00
SAVINGS in case of vehicle damage or replacement	500.00	6,000.00
TOTAL	7,796.42	93,557.00

Owner-drivers who lease to a second shift driver have also traditionally charged less than garages or agents. Today, the average \$90 lease per shift totals about \$28,000 per year. An owner-driver with the above expenses would have to gross (after the MTA tax, tolls and surcharge), \$65,477 per year, or \$1,300 per week over 50 weeks worked, just to break even with their operating expenses to avoid bankruptcy or foreclosure. To earn income so they and their family can survive, they would need to book another \$1,300 per week, or average \$344 per shift, minus shift expenses. Given fixed expenses and the downturn in ridership, it's been impossible for drivers to survive.

Meanwhile, there has not been consistent or industry-wide cooperation among lenders to lower interest rates or extend loan periods to alleviate some of the monthly burdens. Int. 1069 and Int. 304 are first steps in empowering the city to help alleviate debt and prevent foreclosures and bankruptcies.

Call for Amendments

- Under Int. 1069, require the city's Department of Finance to work jointly with the TLC in overseeing the study and developing a program
- Activate the study under Int. 1069 after the Taskforce under Int. 304 has issued its first report
- Require the exploration of grants and loans to alleviate debt and prevent foreclosures in both Intros
- Require the exploration of the ways the City of New York or federal government could use bonds or other means to directly assist and prevent foreclosures and bankruptcies in both Intros
- Make the Taskforce authorized under Int 304 continuous, no less than two years

Int. 1052 (Speaker): Health (and other) benefits for taxi and FHV drivers

In 2012, NYTWA organized for and won a vote by the TLC to establish a benefits fund for taxi drivers. The first of its kind, the financing for the Fund was to come from a deduction of six cents from every fare. In 2013, NYTWA and our partners won the administration of the Fund after a public Request for Proposals process. Taxi companies financed a lawsuit and the Court struck down the Fund down on the grounds that it required council legislation to empower the TLC's rulemaking. It was a moral failure which has wreaked economic consequences for a sector now desperate to retain and attract new drivers.

Over a ten year period, we organized services and events for free comprehensive screenings for 10,000 drivers. Our first health needs assessment in 2001 found 78% of the drivers were uninsured. A 2008-2009 study conducted by then NYC Councilman Eric Gioia found drivers to be uninsured at double the rate of fellow New Yorkers—52% of drivers reported having no coverage. Of taxi drivers who had both a doctor's visit and a stay in the hospital within the last twelve months of the survey—a group particularly in need of insurance and prescription drugs—41% were without insurance.

Taxi drivers, uninsured and vulnerable, also labor with almost universal rates of pain and stress. An ergonomics study funded by the National Institute of Occupational Safety and Health, researchers from the Occupational Health Internship Program (OHIP) found 76.3% of drivers experienced lower back pain, 39.2% had right shoulder pain, 41.7% had knee pain and almost half (48.2%) had right ankle pain.

Given that taxi driving is a high risk occupation, many of our members' health issues are a result of suffering violence on the job. A 2010 Department of Labor study found that taxi drivers are 33 times more likely to be killed on the job than other workers. Before that, in 2001 the DOL concluded drivers were 80 times more likely to be robbed. A 2010 OHIP study found further startling facts: 56% of drivers reported they had been called racial slurs; 35% reported that they had been assaulted while driving, with 17% having been assaulted within the past 12 months. Of those assaulted, 35% had been assaulted with a weapon. Only 5% of drivers injured in assaults filed a Worker's Compensation claim.

Over the past three years, the crushing poverty across the industry has led drivers to work longer hours per day and more days through the week. FHV drivers who always worked longer shifts, but with more down time, are now working even longer hours. There is little time for doctor's visits or time off due to injury or illness. We have members who have had broken legs who returned to work in their cast, still enduring chronic pain and fatigue. Drivers going straight from chemo sessions or dialysis to behind the wheel is simply unconscionable, even more so egregious in an industry with total value at over \$100 billion. Not only do the poverty and long hours keep drivers from taking care of themselves, the physical and emotional stress exacerbates health issues. A job that is prone to make you sick needs to be transformed at its root and services to keep workers whole and healthy need to be made a priority and codified. Int. 1052 sponsored by Speaker Johnson will make that finally possible.

The mental health crisis among drivers, with six drivers known to have committed suicide from November 2017 to July 2018 due to the financial despair from this economic crisis, was preventable. Drivers need livable income, financial safety nets, the prospect of retirement, access to care and immediate help to alleviate the crisis of poverty that plagues their daily lives.

Int. 1052 makes drivers' lives and health a priority and in the context of the complete bills package, recognizes that workers don't have to choose between livable incomes and healthcare; we can have both.

Call for Amendments

The bill needs to allow for flexibility in how the Fund is financed, and not limit the financing to a surcharge. The yellow cab meter starts with \$0.80 of taxes and surcharge. In January, congestion pricing fees are set to take effect only for yellow cabs and FHV's, but disproportionately affecting yellow cabs which have more concentrated trips in the surcharge zone. Another surcharge on top of the initial rates could drastically affect ridership and driver earnings. Furthermore, the industry still needs to stabilize. 120 days for the TLC to complete a study and conceptualize regulation would not be sufficient. We also believe strongly that other city agencies, the DOHMH or an office of the Speaker's office, should be required by legislation to work on the program. It is also imperative that this program not be used to help gig economy companies from escaping employer responsibilities by privatizing their contribution to Workers Compensation, Disability or Unemployment, etc. thereby giving them cover for their misclassification and an out from their direct financial responsibilities and depriving state insurance funds of important contributions. The study should be tasked with exploring these issues, and the legislation should provide that guidance.

- Allow for TLC to explore and establish through rulemaking other means to finance the benefits besides a surcharge
- While the list of benefits to consider is neither exhaustive nor prohibitive, we believe that retirement should be spelled out as a priority for further exploration
- Worker funds are traditionally run by worker organizations in order to ensure that the needs of the workers are not shortchanged with limitations in financing or legal limitations
- Prohibit entities with a financial relationship with any group of companies required to contribute to the fund, and excluded from receiving coverage, from being eligible to administer it
- Require the DOHMH (Department of Health and Mental Hygiene), and/or an office of the Speaker's Office, to hold responsibility along with the TLC to develop the program
- Allow the TLC and partnering agencies up to 365 days to conclude its study and rulemaking proposal

Int. 1079 (Richards): Office of Inclusion within the NYC TLC

Race-based and other bias-based refusals and equitable 5-borough service, both inter-borough and intra-borough, have plagued this industry for decades. In July, after meetings with several Council Members, including Councilman Richards, and with the TLC, NYTWA submitted a 9-point Civil Rights Initiative. Int. 1079 already legislates around a number of the initiatives, including a peer-to-peer program, recruitment of drivers from underrepresented and underserved communities, public reporting and trainings. In issuing our CRI, we asked the Council to allow us as a workforce to be contributors to transforming the inequities, and not be alienated from discussions of justice and fairness in our city. Throughout the past twenty years, as we as an organization have sought to address these systemic issues, we were met mostly with punitive measures. In 2011, following our support of the chartering of the green cab sector as a market response to the economic underpinnings of why yellow cabs restricted to street hails do not cruise in neighborhoods with still-nascent street hail clusters, we were met with massive opposition from within the industry. But in the public dialogue, it's drivers who remain

scrutinized and even blamed for service failures, not just for individual acts of bias. Int. 1079 allows drivers a voice and gives us that chance to fairly partner and, when applicable, even lead on these issues. We also want to commend Chair Joshi and her leadership in addressing these issues, engaging us thoughtfully and fairly, and helping lay the foundation for us to be heard by civil rights activists and Council Members who have brought up these issues.

Making transportation access and service free of bias to individuals and geographic communities is a hallmark of civil rights work across the world. Studies have increasingly shown that one's ability to access mass transit or taxi service can determine what job or education or health care they can access, and class mobility in general. Meanwhile, transportation workers through the decades and across the globe have played a vanguard role in fighting for civil rights, both racial justice and economic justice. The Office of Inclusion can transform the discussion around race based refusals and unequal service in our city by balancing driver trainings, punitive measures, and changes in the structure of taxi and for-hire service. It is also critical that measures such as data collection are in place now, as the App based market becomes dominant, to ensure that it grows with these mandates on equal service. Studies show that cancellations are more likely if the passenger is perceived to be Black or a person of color. The companies have not been forthcoming in other parts of the country on data with regards to service to neighborhoods with more poverty, and have opposed almost universally attempts to make it compliant with accessible service.

The Office must also act as a resource for drivers who are largely people of color and majority Muslim or Sikh, subject to bias both due to race and religion. The bias can lead to verbal harassment or assault on the job, as well as complaints without grounds to the TLC which affect a driver's ability to keep their living. The demoralization from being subject to such racism on a daily basis, and the isolation from a job like driving, also lead to high rates of stress and often depression among drivers. We have sought mental health services for members traumatized from hate crimes, as well as those who reached a breaking point from the constant daily alienation. The Office of Inclusion should also be tasked with being a resource for drivers.

We believe we can build an industry that is forward thinking and cutting edge, not just doing less bad. And without drivers – like the health fund or corporate transparency – this would be impossible. Int 1079 is a starting point to change that.

Call for Amendments

- Require the TLC to promulgate rules on the core features which taxi e-hail services must be mandated to adopt:
 1. Fare Pre-payment
 2. Navigation
 3. Automatic updates on airport lines when the taxi is near either NYC airport
 4. Cancellation fees for passengers
- Require data from High Volume App Companies with regards to cancellations, accessibility and service by neighborhood
- Allow for complaining witnesses to enter into mediation with a driver respondent in cases of refusal allegations
- Require the New York City Human Rights Commission to partner with the TLC on establishing and providing oversight of the Office of Inclusion

Int. 1062 (Grodnychik): Risk of loss with respect to digital payments in the taxi and for-hire vehicle industries And Int. 1096 (Diaz): Require HV FHV's to provide info on charges not registered with TLC

Int. 1062 and Int. 1096 speak to basic economic fairness in an industry where the workers have borne all of the risks over the past almost four decades. Being forced to lose income over chargebacks, when you are not the merchant account holder with access to concessions from the credit card processor, is simply unfair. Bases and TPEP vendors⁴ in the FHV and yellow cab sector, respectively, hold that economic power and should be the entities held accountable under this legislation. Having just one entity – the vendor – as opposed to the medallion owner, agent and / or broker, will also more easily allow for enforcement.

The chargebacks are much more consequential than drivers getting nickel and dimed over fares here and there. How much you make throughout the shift determines how many hours you might work that day or that week. Drivers write out bills assuming the money in their account is staying in their account and then to have it be taken away from them can end up in bounced checks and cash flow shortages. The chargeback deductions sometimes occur three months later. Across the industry, drivers bear the costs of gasoline, the vehicle, insurance, maintenance, repairs, and the impact of street closures and downturns. Not burdening them with chargebacks is a small relief the bases and vendors can extend.

Int. 1096 mandates transparency which is critical to stopping wage theft. A May 2017 report by the Economic Policy Institute found 2.4 million workers in the 10 most populous states in the country suffered minimum wage violations – the most common form of wage theft for employees - a collective loss of \$8 billion annually.⁵ In the taxi and FHV industry, wage theft occurs in the form of unlawful deductions from driver incomes.⁶ The transparency aimed at protecting drivers must also extend to public disclosures by the High Volume App Companies on policies and frequency of deactivation and all documents which cover deactivation and earnings policies, including agreements and contracts with organizations funded by the companies, including entities they assign as driver representatives. Int 1096 can further ensure that the TLC is empowered with full prosecutorial powers and require reporting both to assess progress and effectiveness, as well as to determine resources necessary for the TLC's Driver Protection Unit.

⁴ TPEP, Taxicab Passenger Enhancements Project, the program which mandates credit card readers and other technology in the taxicab; the vendor must be meet TLC licensing requirements

⁵ <https://www.epi.org/publication/employers-steal-billions-from-workers-paychecks-each-year-survey-data-show-millions-of-workers-are-paid-less-than-the-minimum-wage-at-significant-cost-to-taxpayers-and-state-economies/>

⁶ Protecting drivers against wage theft is one of the core campaigns of NYTWA. We have won back \$2.7 million in stolen wages for yellow cab drivers, and were instrumental in the creation of the TLC's Driver Protection Unit in 2013 and their agreement with the Office of the State Attorney General to jointly prosecute claims. NYTWA's members' case in federal court against Uber also lead to the company paying back \$85 million to drivers from whom they unlawfully assessed a commission on the sales tax and surcharges. As *The New York Times* reported (<https://www.nytimes.com/2017/06/01/business/uber-driver-commissions.html> and <https://www.nytimes.com/2017/05/23/business/economy/uber-drivers-tax.html>), the pay-out, in response to NYTWA's members' case, was an attempt by Uber to admit to the lesser violation in our claim (wrongfully charging a commission fee on the sales tax and surcharge), with the hopes of burying the larger wage theft violation (taking the tax and surcharge out of driver pay.) Our members continue to seek full restitution as the case proceeds.

Call for Amendments

- Specify that TPEP vendors are responsible for chargebacks in the yellow cab industry
- Require public disclosures by the High Volume App Companies on policies and frequency of deactivation and all documents and agreements which cover deactivation and earnings policies
- Enable a private right of action for violations so that drivers may retain the right to file action in civil court to recover damages
- Allow TLC prosecution for class recovery when its investigation finds the wage theft practice has been systemic and wide-spread
- Require public reporting by the Driver Protection Unit on the number of claims filed by drivers, number of summonses issued, settlements or disposition, and amount recovered

Int. 1068 (Levin): Financial education for taxi and FHV drivers And Int. 1081 (Salamanca): Driver assistance centers

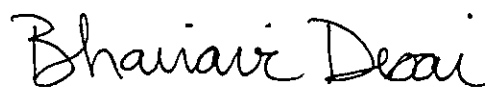
We appreciate that Intros 1068 and 1081 are efforts on the part of the Council to ensure drivers are armed with financial literacy and mental health resources so they may be empowered to make their best decisions and find help when it is needed. Further, corporations and the regulators that wield so much control over drivers' economic realities can be better held accountable.

Call for Amendments

- Int. 1068 should specify the TLC (not the department of city planning) provide the list of languages
- The Department of Finance and other such agencies should be required to partner with the TLC on the program
- The TLC's project should not rest in the Driver Protection Unit, but either the Office of Inclusion or another department, so the prosecutorial resources of the DPU are not diverted

We thank you once again for heeding our call for action and legislating around our demands.

Respectfully Submitted,



Bhairavi Desai, Executive Director
New York Taxi Workers Alliance

Cc: Honorable Mayor Bill DeBlasio
Honorable Members of the City Council of the City of New York
Honorable TLC Chairperson Meera Joshi



New York Taxi Workers Alliance

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NYTWA's TAXI / FHV SECTOR CIVIL RIGHTS INITIATIVE

The New York Taxi Workers Alliance (NYTWA), established in 1998, today has over 21,000 registered Taxi and For Hire driver members. We represent yellow, black, green, livery and app-dispatched drivers. Our members speak hundreds of languages and come from every corner of the globe. We make up one of the largest majority Muslim and Sikh workforces in the country and are primarily immigrants of color. We are committed to addressing race-based refusals head on and furthering a civil rights program to overcome entrenched anti-black racism as well as to support professional drivers as members of marginalized communities themselves who are frequently the victims of racial bias, Islamophobia and discrimination.

Fighting back against hatred and oppression is part of who we are as a union. In January 2017 we held the first ever strike against Trump's Muslim Ban and we continue to organize around Islamophobia and racism.

As far back as in 1999, in an initiative supported by Danny Glover, we worked closely with then Manhattan Borough President C. Virginia Fields to complete a report and hold three public hearings in neighborhoods of mostly people of color to facilitate dialogue between drivers and the community. In 2017, we held brainstorming sessions with the TLC to partner on an industry-wide initiative and met with members of several mosques and gurdwaras across the city to create a community taskforce for the partnership. Through the years, we have been active allies of *Taxis for All* who spearheaded the campaign to turn 50% of the Yellow Taxi Fleet into accessible vehicles by 2020. In 2011, we publicly championed the chartering of the green cab sector to address service shortages particularly in the outer boroughs. Over the past two decades, we have examined refusal data provided by the TLC to shape our internal policies on driver engagement, including addressing the issue of race-based refusals at general membership meetings and during outreach (flyering campaigns.)

While we are proud of our accomplishments as a workers organization, we acknowledge that far more must be done to end race-based refusals. The proposals below are solutions which we as drivers and driver advocates believe will transform an issue important to the city we serve and to our own values as people and workers.

Initiative Overview

App-dispatch technology may help to reduce incidents of race-based refusals by limiting individual bias in passenger pickups. We support expanding app-dispatch technology. But that technology need not go hand-in-hand with the business model of app-dispatch companies like Uber and Lyft which has created devastating conditions for drivers, eroding worker standards and oversaturating our city streets. Further, technology itself is not enough to erase social bias. Technology is also itself not bias free, as there are material interests of those programming the algorithms. We believe the approach must balance driver trainings, punitive measures, and changes in the structure of taxi and for-hire service.

PROPOSALS

1. Driver Licensing Renewal Trainings with Civil Rights curriculum informed by racial justice and civil rights activist organizations

The TLC passed a requirement for a Renewal Course every three years as part of continued licensure, but the requirement has not been implemented yet. All drivers, regardless of which sector they work, are required to meet the same licensing requirements. We propose anti-racism training as the focus of the course and having racial justice and civil rights organizations draft the curriculum and train the teachers. The methodology should include videos, as well as heavily facilitated discussion, rather than straight lecture. The curriculum should include a historical context on the importance of transportation in the development of communities and cities, as well as the role of transportation workers and unions in the US and the global civil rights movement. The organization selected for curriculum development should be required to show partnership with a workers' organization or a labor union. The basic requirements should include identifying the different actions that constitute a refusal and the penalties.

An additional part of the training should be to arm drivers with ways to safely handle situations when they themselves are the victims of racial harassment and violence. Through the years, we have obtained counseling services for members who were experiencing trauma from a hate crime or racist policing. We have also documented drivers' own experiences with racism through surveys and interviews which we can share with the city today in shaping a RFP and also with the curriculum developers.

2. Peer-to-Peer Education

The TLC has informed us that prosecutors were told by driver respondents facing refusal violations that they felt encouraged by older drivers to engage in refusals. While we have not experienced or observed that in our organizing, we take TLC's report seriously and recognize that we must stop such a culture from spreading among drivers. On the other hand, a positive peer-to-peer program could be instrumental in developing a driver culture that confronts these issues and is transformative. Drivers who do not refuse and are conscious about the prevalence of refusals often express anger and embarrassment when they see it on the streets. A peer-to-peer program would involve videos and poster campaigns featuring drivers in their own words addressing refusals, as well as their own experiences of racism on the job. The TLC has an annual Honor Roll where they identify drivers who have not been involved in an accident, moving violations and or refusals. Drivers from this group could be engaged to act as ambassadors for a peer-to-peer program.

3. Provide Trainings as part of successive penalties program

In lieu of or in addition to financial penalties, the city could require additional trainings after a second refusal violation. The training could be more one-on-one, rather than a group lecture. It could also consist of a few hours placement with a civil rights organization.

Penalties for refusal are established by the City Council. The TLC cannot reduce or increase them without legislative direction. While the TLC has authority to offer settlements on penalties, race-based refusal is among the handful of violations for which the TLC does not offer settlements. Drivers must appear at the hearing and are subject to City Council set penalties if found guilty. Unlike with other refusals, on bias-based refusals, the TLC also charges drivers with willful acts of commission \$350, and 5-30 days suspension, and often even refers to the OATH Trials Division for a longer suspension or revocation. And then, after TLC prosecution, they get referred, additionally for subsequent prosecution at OATH by the city's Human Rights Commission which sets fines at much higher levels and orders restitution to the individual complainants. Drivers have had to pay as much as \$20,000. (We believe that at such times, the agencies should coordinate prosecution from the beginning so drivers know what the stakes are.)

More could be done to publicize existing penalties, both listing out all the possibilities, as well as contextualizing refusal penalties within the list of overall TLC penalties to show the priority of the city to address these specific violations. Penalties are always pointed to as an important deterrent. It is also important to note, however, studies show that after a certain level, economic penalties don't actually increase deterrence. As such, we propose community service as a form of training and mediation as two alternatives to be explored.

4. Explore mediation for interested parties

We propose exploring the use of mediation for complainants who may be interested in dialoguing with the respondent driver against whom they have filed a complaint. The mediation is not meant to be in lieu of a hearing. We understand that it is the city's responsibility to punish behavior it deems unfit for licensure, and that it is important to do so. But we have also engaged with people through the years who have talked about wanting a mutual conversation with drivers as a means to challenge or clarify the refusal or perceived refusal. The possibility of mediation would also serve as a reminder that the city's interest is to transform driver behavior, not merely punish it for the sake of generating revenue or exercising labor control. The city could engage in a short-term study on the costs and benefits and engage in a limited pilot program.

5. Strengthen E-hail Apps to serve more outer borough fares

There are financial consequences for yellow cab drivers of dead heading or cruising for long periods of time for street hails in non-street hail clusters in the city. Green cabs were chartered to allow for both dispatch and street hails in the outer boroughs so that communities slowly transitioning to street hails could have a viable option and drivers would still have access to dispatched fares which remain more prevalent through a transition to greater street hails. Against this context, the city allowed Uber and Lyft, etc. to proliferate, overtaking many of the pre-existing dispatch services, decimating the green cab sector which was legislated to have up to 18,000 cars and now stands frozen at 4,000, and replacing street hails with electronic hails.

Taxi drivers reliant only on street hails have historically not cruised in neighborhoods without a high volume of street hails. However, several neighborhoods and thoroughfares remained popular for taxis. Yellow cab drivers relied on fares on Clinton Street, parts of Williamsburg, and Queens Boulevard, during weekday morning rush hour, throughout the day to the airports and weekend nights. Those trips have now been mostly taken over by green cabs or App dispatch services. The taxi industry has to have a robust e-hail option available, a development that would give the public more options in less saturated zones and of course help drivers earn more.

Besides championing the green cab initiative, NYTWA also championed the TLC's 2013 e-hail rules, and prior to them, in 2012/2013, we helped organize a pilot program with a major technology vendor which included electronic payments, pre-payments, mid-trip payments, a processing fee of only 2.75%, a smaller and less expensive screen in the front and back. The program was highly popular among drivers but was abruptly shut down by the TLC. So much opportunity has been missed over the past eleven years. In 2007, for example, though the city required all medallion taxicabs install GPS-tracking technology, it was used only to further monitor and summons drivers and collect data for

the city and the corporate sector. Something as simple as navigation was never included despite our advocacy.

The core features which taxi e-hail services must be mandated to adopt, are:

1. Fare Pre-payment
2. Navigation
3. Automatic updates on airport lines when the taxi is near either NYC airport
4. Cancellation fees for passengers

6. Special Initiative To Recruit New License Holders From Under-Served/Represented Communities

We believe a long-term approach to issues of race-based refusals and geographic-based refusals which disproportionately affect people of color is to build a strong community of drivers from within under-served and under-represented communities. Having such a community creates conditions of internal organic sensitivity to civil rights issues. There is only a small community of African-Americans among drivers today – the result of a dramatic demographic shift that began in the 1980's. Having a strong African-American presence in the workforce would fundamentally change the relationship between the current mostly immigrant workforce and African-American communities.

7. 100 New Taxi Stands In CBD, Subway Stations And Under-Served Areas

Often drivers are forced to cruise empty (and add to congestion) and every additional minute of empty cruising builds pressure on drivers. Strategically-located taxi stands can create a win-win situation on many counts. Our leadership has long noted that refusals are the fewest when a driver is hailed at a stand. In addition, such stands would have a positive impact on driver well-being, in reducing congestion, and in overall taxi availability. We are aware that creating new taxi stands, especially in the CBD, is not without challenges. We have in the past proposed similar solutions to the TLC but found that such an initiative requires more concerted action from higher up in the Mayor's office.

8. Data Collection And Creating A Benchmark Assessment

As mentioned above, NYTWA has examined TLC refusal data consistently for the last decade or more to strengthen our internal practices of leadership development and broader driver engagement. We can now firmly assert that while refusal continues to be an issue of critical importance, the yellow sector has made considerable strides in the right direction. However, there is a significant lack of data on these issues in the non-yellow sectors. It is crucial that the equivalent data for the app-based sector – neighborhood-wise total calls and call cancellation data, etc. - be collected. As the app-

based sector becomes market dominant, this is the crucial time to ensure that features are put in place to monitor refusal or unequal service. Such data for all sectors must not just remain the privy of the city or the industry, but must be made public, as only active and informed discussion in civil society will ensure long-term reform. We have found that numbers and clear targets are key to creating change.


Our work in the conversion of the yellow taxi fleet to 50% accessible vehicles by 2020 is one example of working toward a clearly measurable goal. We propose an assessment survey in a sample of city neighborhoods (in 2019) to create benchmark data from where we can build new policy initiatives and evaluate progress and the impact of the current round of initiatives.

9. Hire an Officer at the TLC to oversee the program

We propose the creation of a special office at the TLC or jointly with another agency, directed by a person with a professional history committed to civil rights and worker rights. The office would oversee both the implementation of these programs, and work to develop resources for drivers who face discrimination themselves.

We look forward to working with the City Council, the Mayor and the Taxi and Limousine Commission, along with civil rights, labor, anti-poverty, immigrant rights, and community based organizations to inform and implement a robust program. Drivers collectively serve over a million people every single day. We are the ambassadors of this city, and operate its iconic symbol. We don't want to be alienated from discussions of justice and fairness in our city. More importantly, we want to be contributors to move us forward as a community, never backwards. We hope you will afford us the opportunity to seriously engage and lead together.

Respectfully submitted:

A handwritten signature in black ink that reads "Bhairavi Desai". The signature is written in a cursive, flowing style.

Bhairavi Desai, Executive Director
New York Taxi Workers Alliance

Written Testimony

John J Poklemba

General Counsel

American Transit Insurance Company

Initially, we would like to thank Chairman Diaz and the New York City Council for addressing this important topic which is so critical to the welfare of all New Yorkers.

American Transit Insurance Company (ATIC) is a leading commercial automobile liability insurance provider with specialization in the public and trade automobile sector. ATIC is a New York State licensed property and casualty insurance carrier with more than 45 years of industry experience. ATIC principally writes commercial automobile liability and physical damage insurance on risks such as taxicabs (yellow and green), black cars, company fleets, and other commercial livery vehicles .

ATIC is a dedicated New York City presence with business operations including 600 employees centered in Brooklyn. Family owned and operated, American Transit is committed to the traditional broker based business model and prides itself on its founding values of:

- strong broker relationships
- excellent customer service
- unparalleled claims handling
- outstanding legal representation

As a leader in this niche market, American Transit Insurance Company has developed a strong and growing broker network that spans New York City and delivers exceptional value and service to brokers and insureds alike.

ATIC is now crafting a class of insurance products called the Excelsior Program to introduce and coordinate participation in various safety programs, provide driver support services and assist in optimization of assets to enhance drivers' overall job performance and service profile.

Excelsior serves as a drivers' risk aggregator – that being one of the three primary rating component groups contributing to the overall cost of the insurance policy. This arrangement is a key aspect with respect to affording drivers opportunities towards becoming self-determined.

For those drivers participating in managed fleet programs the other two rating component groups are the policy holder's vehicle management/maintenance program (as typically administered by the fleet manager), and the 'class of service' profile determined by the point-of-sale (POS) manager, i.e. radio base, street hail or TNC e-hail.

For its independent owner-operator membership Excelsior can provide 'fleet virtualization services'. Organizing independents in this way will allow those participating members access to services and benefits historically offered to FHV operators affiliated with managed fleets. This could include a program to provide these entrepreneurs the ability to better optimize their asset through sharing vehicles with other 'prequalified' member/drivers when not operating the vehicle themselves – thus reducing the number of vehicles required to meet trip demand.

Excelsior's primary function is to provide all its members (owner and non-owner operators) with access to a structured administrated framework for 'Risk Management Services' (RMS) designed to enhance their insurability.

This arrangement provides scientific performance data and analysis of real events as a basis for

incentivizing better driving behavior and managing goals and expectations with respect to 'safety and quality of service' to better serve the public interest, such as that defined in the city's Vision Zero initiative.

Segregating the driver's insurance cost rating factor from the other risk cost factors and promoting an organized drivers' cooperative can help them better optimize their personal assets as well as their relationships with the FHV industry asset managers (vehicle fleet owner/managers) and the TNCs or legacy radio dispatch operators.

The underlying problem faced by today's drivers is that in order to better serve broadening public demand and developing usage trends, new technologies as deployed by large-cap industry players, such as the TNCs and larger fleet owners, tend to commoditize the FHV service environment. By association, the individual owner-operators and independent (non-owner) operators have become part of that commodity.

Efforts to protect the smaller population of non-TNC owner-operator FHV service providers by limiting or capping the TNC vehicle pool further limits all drivers' options by forcing them to compete for a fixed number of seats that are effectively controlled by the large-cap business entities.

Currently, the TNCs routinely employ various economic incentives to attract drivers; this behavior is certain to change under the vehicle cap. There are other ways to accommodate the needs of the non-TNC owner-operators.

It is the 'qualified' drivers that put the vehicles on the streets. As such, congestion is a function of the number of concurrent active drivers more so than the number of licensed FHV vehicle units. Addressing

congestion through right-sizing the driver's pools with respect to the emerging public demand for FHV service is more likely to keep more drivers gainfully employed under terms favorable to them. It is better to have the large-cap entities coordinate resources with drivers in order to meet public demand for available service units at various desired service levels.

Excelsior would seek to establish an independent oversight committee or board of trustees.

Responsibilities of this group would include auditing the administration of the various RMS program features as well as dispute resolution with the organization.

The RMS program components will establish and maintain risk assessment methods with consideration of members' profiles and needs. The RMS program will encourage driver performance monitoring, collect data from vehicles, warehouse trip information for its members, and manage various event and incident experience data. The RMS program will provide training materials to enhance driver safety/service level when needed and offer support services and advocacy for its membership within appropriate industry forums.

Excelsior will encourage its members to take ownership of their data and to develop their personal 'safety/service and experience' profile as one would develop a resume. Periodically, membership data will be purged or anonymized – that being one of the processes reviewed by the trustees.

In addition to the core services performed by the Excelsior, ATIC (through its insurance and financial industry

business partnerships) can provide or facilitate various value add-on services, including but not limited to:

- General Liability Coverage
- Healthcare Medical & Dental Benefits
- Group Life/AD&D Optional Life & Disability

- Member Homeowner's/Rental/Condo/Umbrella Insurance
- Various financial services – retirement plans, asset management, life insurance, and retirement planning. (including pension plans, 401(k)'s, etc.)
- Student – focused college/university insurance
- Increased limits of liability coverage for Automobile Liability
- Homeowners Insurance or Renters Insurance
- Dental plan for member and family
- Vision eye care plan for member and family
- Educational tutoring network and services for children
- Introduction or primary education of computer skills
- Language classes for English as a second language
- Mortgage applications, modest savings and investment services
- Estate planning services such as Wills, Trust funds, tax planning and tax preparation services
- Low interest credit card products that earn airline miles (trips back to native homeland)
- Reduced purchase of products and services (retail products, T.V., cars, furniture, etc.)

However, in regard to the health and wellbeing of the Excelsior membership ATIC seeks to explore the possibility of leveraging an enhanced Healthcare Medical Services model to provide a more holistic approach to members medical needs.

Currently, our regular healthcare, the treatment of injuries and medical conditions characterized as occupational in nature, and treatment of injuries and medical conditions arising out of motor vehicle accidents are each assessed, managed, and funded under separate respective systems – they being regular healthcare insurance Exchanges and PPOs; workers compensation insurance; and no-fault insurance.

It is ATIC's experience that under this paradigm considerable monies are expended in determining/arguing from where, among the three service providers groups, services should be performed. Additionally, within the NYC automobile no-fault arena, there are even greater dollar amounts charged for services performed solely in anticipation and support of future litigation. These no-fault funds are effectively being diverted from their primary intended purpose of providing immediate

and urgent treatment for injuries arising out of automobile collisions.

As such over 70% of civil court dockets in NYC are purely for no-fault medical bills. Civil court litigation on a medical bill can take anywhere from 1 to 5 years and arbitration about 12-18 months. During the process, the original goal intended by the NYS no-fault statutes of making the driver healthy is absent.

Given a large enough Excelsior membership ATIC would endeavor to develop a model whereas the Excelsior membership would participate in a healthcare Exchange or private PPO and those medical service providers would extend services to include treatments for conditions and injuries that are now typically diverted to specialized no-fault and workers compensation medical service providers. The drivers' allocation of monies paid into and out of no-fault and workers compensation insurance programs would in turn be sent to the regular healthcare providers supplementing the regular healthcare premiums and enhancing overall access to medical services.

We would be pleased to provide any further information which you request and look forward to working with the Council on this extremely important project.



**TESTIMONY OF
THE COMMITTEE FOR TAXI SAFETY**

Committee on For Hire Vehicles
September 17th, 2018

Presented by,

David Beier
President of the Committee for Taxi Safety

Committee for Taxi Safety
(718) 779-5000
5411 Queens Boulevard, Woodside, New York 11377



Good Morning Chairman Diaz and members of the For-Hire Committee. On behalf of the license owners and for-hire drivers of the Committee for Taxi Safety, I wish to applaud your efforts to provide a legal framework to improve the working conditions in the for-hire sectors.

Ascertaining facts to implement laws and regulations that give everyone a chance to compete equally for passengers is the best way to ensure everyone is treated fairly. The speed at which this Committee is moving on reforms is to be commended.

The movement of legislation through drafting to introduction has vastly improved. However, legislation that would have made perfect sense a few years ago needs to be re-examined today.

The authorizing language in Intro. 1052 to enable the TLC to study and implement a For Hire Health Care Fund as currently drafted will have an unintended effect of burdening passengers with the costs associated with establishing and maintaining such a fund. This is due to the fact that any such surcharge would be on top of the \$.30 Taxi Improvement Fund surcharge, which funds added costs associated with providing wheelchair accessible taxis. In addition, there is a \$.50 surcharge for all Taxi trips to fund the MTA's operating budget. Starting January 1st an additional surcharge of \$2.50, courtesy of the State Government to fund the MTA's capital program, will be on all taxi fares in the central business district of Manhattan. That is a total of \$3.30 of surcharges added to taxi fares in New York City. For the first time, Government mandated costs will exceed the meter flag drop or initial fare when you enter a cab by 75 percent. The base fare that pays for the driver and for the operation of taxis is only \$2.50. With these surcharges, every passenger starting in January will now pay \$5.80 before the cab even moves.

Never before in the City's taxi history has there ever been this high an increase to passengers at one time. History has taught every taxi driver that when there is a fare increase there is a corresponding drop in taxi ridership that lasts for months, even when the increase was less than 50 cents. That reduction in the number of passengers resulted in a loss of income to drivers that made paying for life's necessities even harder.

The State did not listen to the industry's concerns when it imposed this unprecedented congestion pricing surcharge and grabbed for money after decades of neglecting the MTA. The State's response to allowing a crisis to occur in the subways was to potentially create a crisis in taxis. Common sense tells us there is a tipping point in which passengers will seek cheaper alternatives to these sticker shock costs. Subway fares are not being similarly adjusted. Uber and Lyft are multi-national corporations with valuations in the billions and can much more easily absorb additional costs than a distressed industry like taxis. Passengers will find readily

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available transportation alternatives to taxis. An added surcharge that's expected to fund a plethora of health care services will initially be very costly and as we have seen with many attempts at health care reform, the costs will only increase over time.

In 2011 more than 60% of New York's taxi drivers were already enrolled in State insurance plans such as family health plus. Many if not all of the City's drivers can qualify for these affordable State insurance plans. Increasing participation in these programs by drivers who qualify and finding additional coverage for drivers who may not qualify, but otherwise have challenges obtaining healthcare insurance, should be a top priority for the study that this legislation will institute. For instance, if additional services are needed to be provided in contract to the new surcharge we suggest a page be taken from the affordable care act and if needed enact license fees across the board by the TLC. This simple solution will keep costs down so that there will not be a surcharge that increases the likelihood for passengers to seek readily available cheaper transportation alternatives. We would strongly urge the committee to remove any language subject to your review of the TLC's findings to ensure that they have come up with the most cost-effective way to provide all of the coverage that drivers need without creating incentives for passengers to avoid taxis as a transportation mode of choice. We thank you for your attention, subject to this one modification we support all of the Intros that you have under consideration today.

Testimony before the City Council's FHV Committee

Dr. Richard Lipsky

New Yorkers for Equal Transportation Access

September, 17, 2018

We are here today to discuss proposed legislation that has been introduced to promote regulatory fairness in the taxi and for hire vehicle industry. I want to focus, however, on Intro 1069, a bill whose goal is **Medallion owner debt review** an effort to understand and ameliorate the problems of taxi medallion owners. The bill proposes that the Taxi and Limousine Commission (TLC) undertake this review.

As I shall outline this presents both a problem and an opportunity.

For the past four years as medallion values have plummeted and auction sales postponed, city government remained paralyzed-blind to the turmoil and hardships being suffered by individual immigrant medallion owners. In those four years-and up to the entry of a new set of leaders at the city council-all of these sufferers watched as their investment and declining fortunes were met by indifference.

What was particularly galling was that the TLC, the agency tasked with addressing these issues, and protecting the financial viability of the taxi medallion, was indifferent to the suffering that it listened to in hearing after hearing. Never have I seen this level of tone deafness in over thirty years of advocacy. So, given this track record, what are we to make of the fact that Intro 1069 is giving this

important mandate to the very agency that has ignored the suffering-even after medallion owners and taxi drivers were being driven to suicide!

Are we opposed, then, to Intro 1069? No, we are not. But in supporting the bill we are asking that the mayor and the city council take off their blinders and come to the realization that if this bill is passed it must be sent to a TLC **that is placed under new management**-and an agency that is not be led by a deregulator appointed by a previous mayor whose concern for the little guy was basically nonexistent.

This path is essential for the city to take not only for the proper enactment of Intro 1069, but for the implementation of the rules pursuant to the pathbreaking reform bills the council passed last month. Those bills, council members, are only as good as the rules promulgated to carry out your strong reform mandate. Keep in mind, that in the middle of the taxi suicide epidemic the TLC issued a report on the wages of Uber drivers. Talk about adding insult to injury!

This does not mean that we are callous to the fate of those drivers, it only means that we understand that their plight is directly related to the TLC's malfeasance, misfeasance, and nonfeasance in the face of an Uber invasion that allowed city streets to be jammed with tens of thousands of additional vehicles that undermined everyone-taxi and FHV alike-who drives in the industry-not to mention the public interest in clean air and unclogged streets.

So, while we are here today to speak to a series of bill that is before this body, our main goal is to raise a call to arms. Without strong and conscientious regulators all of your good legislative work will be sabotaged. What we need is immediate relief for all of the current taxi medallion owners and this will only come if the Speaker and all of his colleagues, all of you, hold the TLC's feet to the fire.

What we need is immediate TLC rule making, and not foot dragging. What comes first before everything? A rule that mandates that every single FHV be linked by computer. No more waiting for Uber to send in self-selected data for regulators. It must come in in real time from every one of their vehicles.

The main goal-pursuant to Intro 838-should be to reduce the number of for hire vehicles on the street; precisely because any "need for service" analysis that takes

driver poverty, congestion, and the loss of medallion value into consideration, has to lead to the diminution of the number of cars. That is the only way to ensure that everyone in the industry can make a living.

Secondly, the rules need to apply equally to everyone without exception. If taxis are connected by computer, all other cars for hire must be. If taxis are inspected in a specific way in the interest of public safety then there should be no shortcuts for the Ubers that lead to less safe vehicles roaming city streets. And the list goes on...

The City of New York dropped the ball three years ago and the council thankfully picked it up because of its new leadership. The same change of leadership must happen at the TLC because it is significantly culpable for the current chaos. Intro 1069 can be a useful anodyne to remedying the catastrophic collapse of medallion values for many owners. Proactive leadership by the mayor and the city council can prevent further freefall of medallion values in the short term.



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Testimony of Aaron Jones, Policy Analyst, 32BJ SEIU Committee on For-Hire Vehicles

September 17, 2018

Good morning Chairperson Diaz and Committee members. My name is Aaron Jones and I'm a Policy Analyst at 32BJ. On behalf of our 85,000 New York City members, thank you for the opportunity to testify here today and for the efforts of the Committee in seeking to create an industry that works for drivers, base operators, medallion owners and passengers alike. I also wish to acknowledge the effort of the Speaker on these matters and thank him for his leadership in bringing the need to act to the forefront of the Council's agenda.

Our members in the City work in residential buildings, commercial spaces, airports, and major stadiums and arenas. Our members work closely with taxi and FHV drivers - helping to hail cabs, load trunks and keep passengers safe as they wait for a ride. Everyday countless passengers start and end their trip with the help of a 32BJ member.

Our members also share a common story with taxi and FHV drivers. We are a union whose members hail from over 60 countries and speak dozens of different languages. We recognize that drivers' fight for dignity, respect and a livable income is the same fight as ours.

We are proud to stand with our brothers and sisters who drive for a living and we are pleased to issue our support for this important package of bills. These bills will build on the ground breaking legislation moved through this committee and passed by the council in August, to further reform the industry. Collectively they will help to end some of the most financially exploitative practices in the industry, promote a fair and accessible experience for passengers, and empower drivers to better understand and control the financial risks present in the industry.

In particular we issue our support for Intro 1052, 1070 and 1079.

Intro 1052 directs the Taxi and Limousine Commission to establish a driver benefits fund to be funded through a uniform Taxicab and FHV fare surcharge. Importantly, the bill gives scope for the fund to cover a broad range of purposes including primary and specialty health care, sick pay and unemployment insurance, and supplemental workers compensation insurance. These are benefits that have long been out-of-reach to drivers, and if made available, would make a considerable difference in their lives and ability to care for their families.

Intro 1070 authorizes the TLC to establish rules regulating lease, rental and other financial arrangements common in the industry. For drivers seeking to enter the industry with limited access to financing, these arrangements present a path to acquire a vehicle for use with a TLC license. However, their complex and often predatory terms can severely erode drivers' earnings, leaving their take home pay unable to support their expenses, let alone earn a

family sustaining income. The financial safeguards created by this rule making will complement those authorized under local law 150, soon to be promulgated by the TLC, which will establish minimum rates for drivers, taking into account their vehicle expenses.

Intro 1079 will result in the creation of the Office of Inclusion within the TLC to research, report and oversee matters related to passenger and driver equity and inclusion. This is an important step to ensure each and every vehicle is a welcoming and safe place and that no driver experiences discrimination when going about their job.

New York City has been at the epicenter of the rapid, technologically enabled expansion of the FHV market. With this bill New York will further establish itself as the global leader in setting fair and progressive rules that shape and regulate the industry's operation. On behalf of our members and the communities we share with New York's Taxi and FHV drivers, I thank you again for your time today and for your efforts in advancing these vital measures.

**Extended Testimony Of Andrew Greenblatt
Founder & President, IDG Benefits Fund
Before the Committee on For-Hire Vehicles
September 17, 2018**

Good Morning Chairman Diaz and members of the Committee on For-Hire Vehicles. My name is Andrew Greenblatt and I am the Founder and President of IDG Benefits Fund.

IDG Benefits Fund is a nonprofit founded in 2017 to help the nearly 100,000 black car drivers throughout New York State get access to benefits traditional workers take for granted. I am here today to speak about Intro 1052, introduced by Speaker Johnson and Council Members Rodriguez and Lander, which would place a surcharge on for-hire vehicle rides to provide drivers with medical and other important benefits.

I would like to make three important points:

- 1) Drivers desperately need these benefits;
- 2) The system envisioned in this bill can work effectively; and
- 3) In order to work effectively the TLC will need to partner with trusted entities who have experience delivering benefits to this or similar populations.

IDG Benefits Fund is currently completing a report based on polling and focus groups in which we asked black car drivers about the challenges they face and how they cope with them. We expect to release the report in the coming weeks, but I can share with you a few points. First, many drivers barely make it week to week during the good months and have to find ways to cope with not enough money during the rest of the year. Black car drivers have seen their hourly income drop sharply over the last few years while their expenses have only gone up. This has meant that drivers have to drive longer and longer hours just to feed themselves and their families.

Living this way makes it impossible for drivers to prepare for the sudden financial shocks and challenges that benefits help traditional employees cope with, whether they be a temporary illness that prevents someone from working or the ability to save for a comfortable retirement.

Second, the system proposed in this legislation can work. The New York State Black Car Fund already imposes a modest surcharge on every black car ride and uses that money to provide workers compensation insurance and related benefits to drivers. IDG Benefits Fund is now working with the Black Car Fund to offer drivers free vision and telemedicine benefits, including a mobile van which offers free eye exams and glasses right where many drivers tend to gather while waiting for their next trip.

It should be no surprise that this system works. In a traditional employee setting government has imposed numerous laws and regulations requiring all employers to provide benefits to their workers. The cost for these benefits are then passed on to customers. In the system proposed in this legislation, the TLC would just cut out the middle man and impose the fees directly on customers.

Finally, in order to work effectively the TLC will need to work with one or more trusted and experienced organizations that have worked with drivers or similar populations.

IDG Benefits Fund has been working closely with the Black Car Fund and drivers to roll out the new vision and telemedicine benefits. We have learned that there are many challenges to providing benefits to drivers including finding providers willing to work with this unorthodox risk pool, informing drivers about their benefits, enrolling them in the plans, and helping them to take advantage of the benefits. Ninety percent of the covered drivers were born in other countries and language, cultural, and technological challenges abound. To address these issues we've formed strong working relationships with the Independent Drivers Guild, the Black Car Fund, the TLC, marketing companies, technology companies, and labor friendly benefits providers. Only by working with a team of people who understand this population and how to deliver benefits to them have we been able to sign up thousands of drivers in the first two months of the roll out.

New York City's drivers are hard working men and women. They need and deserve the kinds of benefits most of us are lucky enough to take for granted. I look forward to the passage of Intro 1052, thank the Speaker, the bills' sponsors and this committee for recognizing the need for driver benefits and we will gladly offer our expertise to this committee, its staff as well as the TLC to help make sure this program is a success.

I will be happy to answer any and all your questions.

Medallion Owner Gloria Guerra's Testimony Before the New York City Council

FHV Committee

September, 17, 2018

My name is Gloria Guerra and my husband and I are medallion owners for over two decades. We came to America from Cuba, along with our parents, in order to escape the political corruption and oppression of the individual-and be able to enjoy the freedom and opportunity that this great country offers.

We were not disappointed. We invested in a taxi medallion just like so many other immigrants, and through hard work our investment increased every year-backed, we were told, by the full faith and credit of NYC. By 2014, the medallions were being sold for \$1.4 million dollars and we thought that our retirement was secure. Our hard work had paid off!

We were, however, unprepared for what was about to happen-the Uber invasion. And the you know what hit the fan, In the space of three years with no investment or entry fee, Uber flooded the city with tens of thousands of drivers and the value of the medallion plummeted.

The funny thing is that I don't blame Uber. Uber is a \$60 billion corporate predator but it couldn't have achieved what it has here without the direct complicity of city regulators-and, sadly, some of our elected officials as well.

We came from Cuba where the concept of property rights doesn't exist. We came to America where we thought that property rights were protected. As it turns out, not for taxi medallion owners in NYC. That's because the City failed to protect its own franchise. Now we are left with trying to deal with the aftermath of this regulatory malfeasance-something that the City Council has heroically tried to do.

That being said, Intro 1069 is an after the fact band aid on a hemorrhage. More important are the ensuring that the bills recently passed are implemented with effective force.

The problem is that the Council is only a legislature that passes laws. It is up to the mayor and his appointees to properly implement the laws so they can have the right impact. Therefore, the ball has been thrown directly into Mayor de Blasio's court.

Mr. Mayor, you need to become directly involved because we fear that your regulatory agency is not willing or able to implement the laws passed with the appropriate teeth that are needed. Why are you keeping in place those regulators appointed by Mayor Bloomberg? You need your own team dedicated to enact the laws that you recently signed. In this way, the Council and the administration can collaborate on re-making the current disaster into an industry where the medallion has value, and everyone can make a living.

if you don't the disaster will be perpetuated.

One last thought. The council passed laws cannot be enforced-and the corporate giant regulated-without a huge amount of real time data. Therefore, just like my taxi-all Uber and Lyft cars must be directly linked to the central TLC computer. These FHVs are not private cars they are public conveyances and must be regulated just like all yellow and green taxis are.

This has to be a group effort with the council and the mayor working together. Let's get the ball rolling with a new TLC team in place to make things right.

Uppkar Thind

Testimony to City Council's FHV Committee

September, 17, 2018

Good morning Chairman Diaz and members of the FHV Committee. My name is Uppkar Thind and I am a medallion owner for the past 11 years. I came to this country 27 years ago and got my start driving for a car service. It was through this hard work for long hours that I was able to save enough money to purchase my taxi medallion.

Given its history, I felt that I was on my way to a real economic stake in my adopted country. What I couldn't have foreseen was what happened 4 years ago when the Uber tsunami swept through NYC and undermined the medallion system that had been in place for over 70 years.

The system wasn't undermined by Uber, however, but by the regulators who are supposed to protect the medallion franchise in exchange for the billions of dollars taxi medallion owners had given up to the city treasury. It says right in the city rules-there is the TLC's mandated duty to protect the economic stability of the taxi medallions. **Rule 52-04(a)(4)**

That they haven't done so is self-evident from the decimation of the value of the medallions over the past few years. This failure has a number of different faces. Its first face is the enforcement of rules for taxis while failing to apply these same rules for the Ubers. Or even worse, passing rules that help the free loading newcomers, but harming the city's franchise holders.

This is crucial because by allowing e-hail companies to proliferate throughout the city the TLC essentially abrogated taxis exclusive right to street hails. When you have 130,000 of these cars prowling the streets an e-hail is no different than a street hail-yet the TLC time and time again doesn't apply the rules equally.

Put simply, there is no regulatory parity, and when you view this in the context of the amount of money we paid for our medallions, this disparity heightens the unfairness of the regulatory regime. The second face, then, is the city's allowing Uber into the car for hire system with no comparable buy-in even though the Ubers were usurping the exclusive role of taxis.

In essence, taxis are the NYC approved licensed public conveyance; and an assortment of other fees-all of which Uber doesn't pay-are tacked onto taxis' bill because the city had granted these mostly immigrant entrepreneurs the exclusive right to e-hail.

It is precisely the NYC regulators' failure to protect this well paid for right that has gotten the city into the current congestion mess. The failure has allowed the uncapped and under-regulated Ubers to proliferate with little or no regard to sound public policy, and at the expense of public health and safety.

And yet, the recently passed and signed taxi reform laws are placing tremendous responsibility on the TLC to come up with the kind of tough rules that will make these laws a reality. Can you understand our skepticism?

In her statement after the death of Douglass Shifter, the Chair of the TLC, Meera Joshi, said the following:

"As we have frequently acknowledged, with 50,000 more drivers and the same number of additional vehicles over the last four years, there is a clear oversaturation of the for-hire market. We understand that many of our licensees have been under tremendous pressure due to this onslaught of competition from app-dispatched services." (<https://www.cbsnews.com/news/nyc-cab-driver-douglas-schifter-shot-himself-lashing-out-politicians-facebook-post-city-hall/>)

At the same time, Joshi lamented that she didn't have the authority to limit this saturation. But now she has. But she always had the authority to regulate the sectors fairly. That she failed in this fundamental task, is a dereliction of her duty to protect the value of the medallion.

That is why the majority of independent taxi medallion owners are calling for placing the TLC under new management. Its track record of unfairness and hostility to taxis speaks for itself. We are asking the city council to take a stand with us so that one sector isn't unduly advantaged-especially against those like myself who have worked so hard and given so much to the city we have adopted and love so much.

Chart on Regulatory Disparities

The following information underscores how the under-regulation of Uber has cost the city tens of millions of dollars, while at the same time establishing an indefensible double standard that has victimized hard working medallion owners.

- (1) The Commercial Motor Vehicle Tax (CMVT) is for the following vehicles: Motor vehicles regularly used in the City to transport passengers. The DMV collects the fee for Uber and NYCDOF/TLC collects the fee for medallions:

The **Commercial Motor Vehicle Tax (CMVT)** is for the following vehicles: **Motor vehicles regularly used in the City to transport passengers.** The DMV collects the fee for Uber and NYCDOF/TLC collects the fee for medallions:

Passenger Transportation Vehicles per year:	
Medallion taxicabs	\$1,000 (pay \$500 on June 1 and \$500 on Dec 1)
All other vehicles (Uber included)	\$400

As the CMVT is constructed, certain classes of drivers (medallions) pay a fee to the Department of Finance and face enforcement from the TLC, while another class of drivers (Uber) pays it to the DMV. As a result, medallion owners pay \$1,000 per year and Uber drivers pay only \$400 per year. What's the City's rationale (or legality) behind this differential treatment?? If there are 100,000 Uber vehicles on the road in NYC, and the City collected the additional 600\$ per year from each Uber vehicle, the City would generate an additional **60 million dollars per year** through fair implementation of the CMVT.

- (2) MTA Fees: In one day, a double-shifted taxi that makes 25 trips per shift collects \$34.54 in tax revenue, of which \$27.40 directly funds the MTA. On the other hand, in one day of full-time work, an Uber car may bring in \$20 in general sales tax, handing over only \$0.75 to the MTA.
- (3) Renewal and other fees: In licensing fees, vehicle taxes, and other surcharges, taxis contribute significantly more than Uber (not to mention the money already spent on purchasing a medallion). Each taxicab must pay a bi-annual \$1,650 renewal fee. Each Uber car, on the other hand, pays a \$275 annual fee for a for-hire vehicle license. And while each taxi trip also collects a 30-cent accessibility fee to help fund the City's transition to a 50% wheelchair accessible taxi fleet, Uber has no wheelchair-accessible vehicle surcharge or meaningful regulation.
- (4) Mandatory retirement for black and livery cars no longer required. Yellow cabs have mandatory retirement dates. Yellow cabs are required to be inspected 3 times a year. Black cars once every 2 years.



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**NEW YORK CITY COUNCIL
FOR HIRE TRANSPORTATION COMMITTEE HEARING**

September 17, 2018

Testimony of Metropolitan Taxicab Board of Trade

Peter M. Mazer, *General Counsel*

Good morning Chairman Diaz and members of the Committee. I am Peter Mazer, General Counsel to the Metropolitan Taxicab Board of Trade. Our 66 year-old association represents the owners of about 5,700 medallion taxicabs and operates a full service driver resource center that has helped thousands of drivers with their licensing issues, and offered training classes for more than 5,000 drivers. We have also represented drivers with respect to nearly 3,000 traffic court summonses, handled over 3,000 OATH cases, and have made more than 300 appearances in criminal court on behalf of taxicab drivers, all without charging our drivers a penny.

There are many well-intentioned pieces of legislation before the Council today. MTBOT has submitted written comments on each of these bills, which we ask be made part of the record. However, I wish to devote my limited time this morning to address one bill, Intro. 1052, which would attempt to provide health and other benefits to eligible drivers funded through a surcharge on taxicab and for-hire vehicle fares.

At the outset, I would say that everyone should have affordable health care available. That includes the more than 185,000 taxicab and livery drivers who are presently licensed by the TLC. Drivers, owners, and the public all benefit from a healthy work force. But I must ask if

the approach taken in this bill to provide benefits is the best one. To this end, I would like to raise the following concerns:

- This bill would impose an undetermined passenger surcharge to fund an array of benefits. No analysis has been performed to determine benefit costs. In my written comments I performed an analysis for the taxicab industry and I estimate that a surcharge of nearly \$3.00 per trip would be required to fund the benefits that would be offered under this bill. On January 1, 2019, a surcharge goes into effect that will impose a \$2.75 additional fare on for-hire vehicles and a total of \$3.00 on taxicabs, solely to fund the MTA. That agency will receive in revenue the equivalent of a one way passenger fare from the nearly one million taxicab and livery passengers each day-- without having to add a single bus, train or any staff to move these people. Our drivers get NOTHING from this, except, in all likelihood, lost fares as the for-hire transportation becomes even more expensive and more passengers are priced out of the market. If we add another surcharge ridership will undoubtedly plummet even further. How does this help our drivers?
- Under this bill, "eligible" drivers, as defined by the TLC, would be afforded health care as many other benefits that not customarily associated with a comprehensive health insurance plan. This plan would be administered either by the city or an entity selected by it. In addition to determining licensee eligibility, the TLC would be responsible to establish the program, determine benefits, and estimate the cost which needs to be funded through the surcharge. Health care needs are specialized and we would be doing our drivers a disservice if the city were to adopt an unproven approach for the tens of thousands of licensees who need benefits, without any analysis of what our drivers want or need, and entrust their health care needs to an agency with no experience in the area. Indeed, no two drivers are alike and no two drivers have the same health care or other financial needs. Not to mention a genuine need exists to help drivers with health coverage defray some of their cost.

This takes me to my final point. We do not provide any benefit to our drivers if we deprive them of the income they need to support themselves and their families by continually imposing massive passenger surcharges. We can talk all we want about providing a living wage for drivers, but this Council cannot force anyone to take a taxi or livery if they become unaffordable. With fares expected to exceed \$10.00 before a vehicle even moves an inch, we will be fast approaching that point.

I believe the best solution is to not further destroy driver incomes through another costly surcharge, but look at ways to help restore this industry and instill passenger confidence so that more passengers use those means of for-hire transportation that offer efficient alternatives to mass transit—alternatives that move the greatest numbers of passengers and do not add to congestion. This bill would set up a study to review these issues, but a study must be open to considering all solutions, not just those that fit a preconceived model. We need to put more money in the pockets of our drivers, who can then make their choice about how to address and finance their health care needs. Our elected officials must bear the responsibility of providing affordable benefit options for our licensees. This is the approach needed to rebuild our industry, give drivers a sustainable source of revenue, and provide drivers with the health resources they need.

Thank you for giving me the opportunity to speak this morning. I will be happy to answer any questions you may have.



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WRITTEN COMMENTS OF THE METROPOLITAN TAXICAB BOARD OF TRADE

New York City Council For-Hire Committee

September 17, 2018

Peter M. Mazer, *General Counsel*

The Metropolitan Taxicab Board of Trade (MTBOT) is a 66 year-old trade association representing the owners of about 5,700 licensed medallion taxicabs. MTBOT also operates a driver resource center that provides an array of services to drivers who lease taxicabs from our members. These services include training, such as defensive driving and accessible vehicle training courses, assistance in processing new and renewal licensees, helping drivers receive taxi improvement fund reimbursements (TIF) for operating accessible vehicles, and providing legal representation in traffic court, before OATH, and in criminal court for driving-related offenses. To date more than 6,000 cases have been handled at these tribunals, and several thousand more drivers have been trained--- all at no cost whatsoever to these drivers.

There are a number of bills being considered by the City Council. Each proposal is a well-intentioned attempt to address a significant problem facing the taxicab and for-hire industries. The following comments, suggestions and observations are offered with respect to these various Introductions.

Intro. 1052

Summary

This bill would require the TLC to establish a program to offer an array of comprehensive benefits which include, but are not limited to, health care benefits. The TLC would establish eligibility, seek a provider, and determine the cost of the plan which would be funded through a surcharge on all passenger fares. The bill defines "benefits" to include, but not be limited to, the following: primary medical care, specialty medical care, mental health care, vision services, disability insurance, sick pay insurance, unemployment insurance and supplemental workers' compensation.

Analysis

The TLC will be responsible for managing all aspects of the health care program, from determining benefits, establishing criteria for eligibility, selecting a providers and determining the cost and appropriate surcharge. The TLC is essentially a licensing and regulatory agency with little or no known experience in health care matters. It has not designed nor implemented health benefits program or selected a vendor to offer these services. It has no experience in determining the cost of these benefits.

This bill would fund the benefits plan through yet another surcharge on rides. Taxicab riders already pay a \$.50 MTA surcharge and a \$.30 TIF surcharge. FHV rides pay sales tax but a black car fee to provide workers' compensation benefits. On January 1, 2019, a new \$2.50 MTA surcharge will be added to the \$.50 already paid. FHV riders pay a sales tax on their ride and will face a new \$2.75 MTA surcharge. None of this money goes to the drivers. Indeed the MTA will receive revenue which will be the equivalent of moving a million passengers a day, but will not have to add a single bus or subway car, or hire a single employee to receive this revenue. This industry has already expressed serious concern that after January 1, 2019 ridership will

plummet because these surcharges will price this service out of the hands of many riders. By proposing yet another passenger surcharge, we will likely see a further depression in ridership and erosion of overall revenue to our drivers.

Just how much of a surcharge would be needed? The following is based on some assumption and data derived from the TLC for June 2018, the most recent month for which data is available. For the purpose of this analysis I assume the cost of providing the benefits proposed in this legislation is \$1,500 per month, per eligible driver. This is based on the present cost of a private individual health insurance policy in a plan, plus an estimate of the costs of additional benefits, such as vision care, unemployment benefits, and sick leave. During June of 2018, 23,737 unique drivers operated taxicabs at least one shift during the month. Taxicabs were operated a total of 3,999,649 hours based on TLC data. This means the average driver worked 168 hours during the month, and would qualify as a full time employee. Many drivers worked more, and undoubtedly a large number worked less and would not be considered full-time. If only 2/3 of these drivers worked enough to be deemed full-time individuals entitled to benefits, 15,824 drivers would be entitled to benefits at a monthly cost of \$23,737,000. Taxicabs engaged in a total of 8,710,860 trips during June, so the surcharge per trip needed to fund benefits for two-thirds of our drivers would be \$2.72 per trip. This would be in addition to all of the other surcharges, and would raise the initial fare in a cab to about \$10 (\$.30 TIF + \$.50 "old" MTA surcharge + \$2.50 "new" MTA surcharge + 2.75 health care surcharge + \$2.50 initial fare = \$8.55). If the trip is during the evening rush hour or at night, additional surcharges apply

Health care needs are specialized. The needs of one individual are not the needs of all. The bill makes no distinction between single drivers and those who need family benefits. It assumes that all drivers need exactly the same benefits package. It makes no provision for assisting drivers who already have health care benefits to pay for these benefits. We would be doing a disservice to our 185,000 drivers if the city were to adopt an unproven approach for our licensees who either need benefits, or a way to pay for benefits they already have, without any analysis of what our drivers want or need. Indeed, no two drivers are alike and no two drivers have the same health care or other financial needs.

But the problem of providing benefits to drivers is real, and needs to be addressed. There are resources the City has at its disposal to provide information to drivers about available benefits and their respective costs. Such information would be helpful to assist licensees in making intelligent health care decisions. But the real need is for financial resources to pay for these needed benefits. While a surcharge would be one method for generating revenue, there is the likely adverse effect that the rate of fare would be so high that ridership declines and overall driver incomes fall substantially. Therefore, another source of funds is needed.

As I suggested in my analysis, the annual cost of providing comprehensive benefits to only taxicab drivers would be in excess of \$250 million per year. It would probably approach \$1 billion or more to cover eligible for-hire vehicle drivers. This bill would direct that a feasibility study be conducted. This study needs to be thorough and comprehensive, and identify possible revenue sources for these benefits.

Intro. No. 304.

Summary

This Bill would create a task force to study medallion values and make recommendations to the Mayor and the City Council. The task force would be required to review prior medallion sales prices, potential future prices, and the impact such sales would have on the city budget, and make recommendations for changes in laws and rules “related to taxicabs designed to increase the value of such medallions.”

Analysis

From a technical standpoint, the bill would appoint to the task force a medallion owner required to drive, and a medallion owner not required to drive. Since there is no longer an “owner must drive” requirement, this needs to be changed, since no medallion owners is required to personally operate a cab. The bill does not indicate who would make a number of the appointments to this task force, and there is no assurance that a task force member would in fact represent the interests of its constituents.

This law would also make a presumption that medallions are undervalued as a matter of law. Establishing the financial value of the medallion as an asset is not within the Charter functions of the TLC, or necessarily, a function of government since medallion values are based on such factors as supply, demand, revenue streams, and available financing. While the Charter gives the TLC broad authority to regulate standards of service and to protect the overall health of the for-hire industry, mandating the city to enact policies specifically geared toward increasing medallion values is not within its scope of authority. This bill would operate from the assumption that medallions are currently undervalued.

This task force would look at one aspect of the medallion industry: i.e., medallion values. This serves a purpose only in conjunction with a comprehensive review of all of the problems facing the medallion industry, including ridership, driver retention, financing, congestion, customer satisfaction, enforcement and others. A comprehensive, rather than a piecemeal approach, is needed to restore confidence in the medallion industry.

Intro 1068

Summary and Analysis

This bill would direct the TLC, in connection with the Department of Consumer Affairs, to provide written materials and services to enable drivers to better understanding leases, contracts, and financing documents. This assistance may be needed by licensees to help them make informed decisions regarding their future in this industry. MTBOT supports efforts to better inform licensees of their rights and obligations.

Intro 1081

Summary and Analysis

This bill would require the TLC to establish one or more driver assistance centers. As the MTBOT has operated a successful drivers assistance center for three years, we look forward to working with the TLC on providing new and expanded forms of driver assistance, including the expanded types of counseling envisioned in this bill.

Intro 1070

Summary and Analysis

This bill would require the TLC to promulgate rules governing leasing and other arrangements in the for-hire vehicle industry. Such rules already exist in the taxicab industry. This bill would extend protections already afforded to taxicab drivers to drivers in other segments of the industry. As full disclosure of leasing and other contractual relationships is an important driver protection measure, MTBOT supports this bill.

Intro 1062

Summary

This bill would amend the administrative code to provide that for any electronic payment that fails, the loss of the fare shall be borne by the base or the medallion owner, rather than the driver.

Analysis

This bill would increase costs to owners and make drivers whole where there is nonpayment on an electronic trip. The presumption seems to be that such nonpayment is related to technology problems rather than theft by passengers. However, from our reading of

the bill, if a passenger attempts to pay with a bad credit card and the charge is declined, the owner would bear the loss.

A critical problem which has not been addressed is the lack of enforcement against fare evasion. Police refuse to take any action if a passenger attempts to leave without paying. When someone shoplifts, they are arrested; but when the police confront someone apprehended after leaving a cab without paying the fare, the passenger is simply told to pay. Drivers get beaten out of fares regularly; cash fares, bad credit cards, and problematic technology all play a part, but an overall, comprehensive review of theft of services against taxicab and for-hire drivers needs to be considered, rather than a piecemeal approach, addressing only one small part of the problem.

Intro 1069

Summary

The TLC will be required to complete a study by June 1, 2019 with respect to the problem of medallion debt. After the report is completed, the TLC will be required to review the report findings and take action which might include limiting the terms and amount of medallion debt, or identifying avenues of assistance to owners.

Analysis

This bill assumes that the TLC has some expertise in dealing with medallion financing issues, an area in which it has never regulated. Medallion financing is regulated on a state level, through the banking department, or a federal level, through regulation of credit unions, banks, and publicly traded companies. Attempts to regulate these sectors on a local level create problems with respect to pre-emption issues and separation of powers. Any restrictions imposed on lenders or other restrictions affecting borrowing could also have the unintended consequence of further closing the medallion financing market to prospective borrowers. The medallion industry needs lenders who are willing to lend, not further restrictions on lending practices, which would be detrimental to the medallion industry.

Intro 1079

Summary

This bill requires the TLC to create an office of inclusion. The bill enumerates eleven (11) functions of this office. Some of these functions are already being managed by the TLC, such as compiling statistical and demographic information, and providing training materials for drivers to deal with discrimination issues and cultural sensitivity. Others direct the TLC to develop policies and procedures to increase driver representation in underserved communities. Another function would be to “encourage equitable treatment of drivers by other drivers.” Finally, the office is charged with establishing a mechanism for complaints of service refusals to be filed directly with the Commission, a function already handled by the TLC’s prosecution unit and adjudicated through the Office of Administrative Trials and Hearings (OATH).


Analysis

Other than collecting data and performing some training, it is unclear what direct authority this unit will have that does not already exist within the Commission. Consumers can already file complaints directly with the Commission. There are also means for dealing with aggressive driving, which is one form of inequitable treatment of drivers by other drivers which is frequently observed.

One concern of drivers, not addressed in the Office of Inclusion, is discrimination or inequitable treatment licensed TLC drivers frequently experience from passengers, enforcement personnel, or others. To be truly fair, an Office of Inclusion must also view the issue holistically. Discrimination against licensees should not be tolerated, just as we do not tolerate discrimination by licensees.

MTBOT appreciates the opportunity to express its views on these bills and looks forward to working with the Council to address issues of concern to our licensees, operators and the riding public.

Respectfully submitted,



Peter M. Mazer

My name is Abraham Lobe. I am a proud member of the New York Taxi Workers Alliance.

I entered into a lease-to-own agreement for a used Lincoln MKT, for 3 years of \$500 weekly payments. The car was already one year old with 30,000 miles on it. The estimated bluebook value would be around \$28,500 while I paid \$78,000. I was also required to fix repairs only at their garage.

The company would own the car until the end when they would sell it to me. About a year in, the company failed to renew the FHV license. Because they were the owner they had to do that-- they were the only ones who could file the TLC paperwork. With the license expired I couldn't drive for three weeks. They didn't provide me a loaner car. I couldn't work so I couldn't keep up with my bills. No savings, no income, I became homeless.

When the car was ready, they told me to come back and sign on an electronic signature box to get it back. Later I found that they attached this signature to another contract that I had never seen--- this was a contract with a company with a totally different name, for even more payments than I had originally signed up for.

I paid them more than \$78,000 but they refused to give me title to the car. They continued to bill for the weeks when I couldn't even use the car. They billed me for summonses that I had never heard of. I did a freedom of information request and found that they were charging for summonses that vehicle owners have to pay. They even charged for a summons related to the driver who had the car before me.

I made a complaint to TLC because they had put my signature on a contract they never showed me, but they took no action. In desperation, I went to the company to try to pay the extra money they wanted, to get the title to my car, even though I knew I shouldn't owe them that, but they wouldn't give it to me. They said they wouldn't let me make those payments because I had made a complaint to the TLC.

Even though they retaliated against me for making a complaint about forging my signature and trying to get me into a longer contract TLC has still done nothing.

We need the City Council to pass this bill, make sure the TLC passes rules that prevent this, and make sure that they actually enforce against violations.

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Driver Opportunity Service Association (DOSA)
Testimony on Intro. 1070-2018
New York City Council Committee on For-Hire Vehicles
September 17, 2018

Good morning, Chair Diaz and members of the Committee on For-Hire Vehicles. My name is Eric Rothman, the president of the Driver Opportunity Service Association (DOSA). DOSA is a membership organization dedicated to providing short-term rental of vehicles to drivers in the for-hire vehicle (FHV) industry. Thank you for allowing me the opportunity to testify on Intro. 1070.

There are a number of factors that differentiate short-term rentals from lease or lease-to-own arrangements. Leases lock drivers into multi-year contracts, often with high interest rates, leaving them with a depreciated asset. Rentals, however, are designed to provide drivers with flexibility. Our agreements are typically one or two weeks in duration, renewable at the driver's option. This allows drivers to switch between vehicle sizes and models to find the vehicle that meets their needs. It also gives them the flexibility take time off or to leave the industry without the burden of ongoing lease payments.

Unlike leasing, the short-term rental model provides drivers with a set price, eliminating the need for financing and preventing unexpected costs throughout the term of the agreement. The rental company retains responsibility for preventative maintenance, mechanical repairs, liability and collision insurance, TLC and emissions inspections, and other costs. If the vehicle has mechanical failure or is in an accident, a replacement vehicle is provided. This minimizes the out-of-pocket costs to the driver and allows them to spend more time working, collecting fares.

DOSA members support the Council's effort to increase transparency and consumer protections in the FHV leasing and short-term rental markets. These are practices that DOSA members already implement, but many companies unfortunately do not. We commend the Council for mandating them throughout the industry, protecting drivers and maintaining a fair marketplace. Requiring that all companies disclose all fees and provide other protections will ensure that drivers can properly evaluate the full cost of renting a vehicle and shop around to find the most competitive price.

However, we have concerns about the unintended consequences of placing price caps on the rental market. Unlike FHV leasing, short-term rental companies are responsible for oil changes, insurance, and other costs; the price of rentals must be able to accommodate fluctuations in the economy to account for these items. If we cannot afford to maintain a fleet, we will not be able to provide this service and the necessary flexibility to drivers.

DOSA members look forward to working with the Council to increase protections for drivers and maintain a competitive and fair marketplace for FHV-licensed vehicles.

Thank you for your time.

Testimony by Medallion Owner Tamara Vishnyakova

NYC Council Committee on For Hire Vehicles

September, 17, 2018

My family came to New York as refugees from Russia. We, like so many other immigrants, were hardworking people. We raised our children and sent them to college, worked hard to make a living and then we looked forward to a well-deserved retirement. My husband drove a taxi for 19 years. He knew the industry-home to over 6,000 immigrants just like us-and saw an opportunity so we invested in a taxi medallion-what we understood to be a city franchise that promised financial stability. We paid hundreds of thousands for that publicly protected city franchise- we thought it would ensure our future.

Boy where we taken advantage of!

As hard-working immigrants, The City of New York betrayed us. Our elected leaders ignored us as our investment crashed. Newcomers with little or no investment came in and stole our livelihood while TLC regulators passes rule after rule that benefited the freeloaders at our expense. Look what happened to our future, and to a well-regulated and well-established public conveyance that has existed for 86 years.

I came to America from the Soviet Union where no one had any property rights. I thought that it would be different here but Meera Joshi and the TLC are proving me wrong.

We are not taxi workers, we are small business owners who bought an investment with equity. We don't need mental health counselors and health benefits, we need fair regulations that protect our investment. The group that represents taxi workers has its own interests, but they have never represented ours. If you're interested in helping us-after failing to do so, for the past four years-then recognize this simple fact: we don't need a union, we need our investments protected as the City promised.

In the space of a very short time, we lost everything. We lost our investment, we lost our retirement, we lost our income-and now we have no time to start something new from the beginning.

We are here to testify on Intro 1069, a bill that would set up a commission to study the problem of medallion owners with excessive debt due to the decline in the value of such medallions. The idea is worthwhile, but how can you give the authority to examine this problem that has destroyed so many lives to the **very agency that has not only done nothing for the past four years to help us, but has actively sabotaged our interests?**

A truly independent taskforce needs to be created by the City Council that can come up with ideas for aiding those medallion owners who have been defrauded by the very City that promised to protect the value of their investments. The task force needs to bring these ideas directly back to the City Council and the mayor-and do so quickly before more of us are driven to suicide.

If the City Council is truly concerned with the value of the taxi medallion, then there is one giant step that is necessary: Put the TLC under new management. These Bloomberg holdovers are saboteurs. We need new management that is willing to control the newcomers as tightly as they control yellow taxis. As part of this New Deal, all Ubers and Lyfts need to be connected by computer to a central TLC computer. Without this connection, the agency cannot make rules that will truly enact the legislation this Council has created-especially Intro 838 that can reduce the number of vehicles so everyone can make a living.

We are grateful that the Council leadership has taken some very bold steps. But your work has just started. Your legislation will slowly die if it is left to the current TLC to implement its provisions. Please don't put our fate in Meera Joshi's hands.

Sept 17, 2018 FHV Committee Hearing on NYC Taxi Medallions

To City Council Speaker Corey Johnson and Members of the City Council,

Individual, immigrant, working class medallion owners have been standing on the steps of City Hall for 4 summers. We've been to memorial services for our fellow owners and drivers who have committed suicide, marched across bridges and testified at hearings about our plight.

Finally, we have seen that the mayor and City Council are aware of OUR issues and would like to effect change.

But first, it is imperative that we all understand how this debacle happened in order to better inform future actions that might alleviate the damage to the medallion.

In our view, there can be no remedy if the remedy and the implementation are left up to the current TLC regime which is comprised of leftovers from the Bloomberg administration. I'm sure we all remember when Mayor Bloomberg swore to "destroy your f—king industry." This destruction, as promised, was carried out by his appointees at the TLC, which has become, make no mistake about it, an arm of a multinational corporation.

How can this be in keeping with the progressive goals of New York City?

In the past, the TLC understood that medallion cabs had a protected access to the market, which was often touted by TLC Commissioners. For decades, the TLC promoted the medallion to first generation immigrants as a "path to a worry free retirement" and our "exclusive right to cruise" the streets to find passengers.

What happened to change the status quo? Beginning in 2011, the TLC began ignoring, bending, breaking and changing its own rules. These actions and inactions resulted in a much-diminished role for the city franchise, yellow cabs, and a greatly expanded one for app cars.

The following is a list of the rule and policy changes that the TLC promulgated starting with its abdication of the protection of the financial stability of the licensees.

How did the yellow taxi industry get to the brink of annihilation?

- (1) TLC rule 52-04(a)(4) ignored. Rules states "Establish and enforce standards to ensure all Licensees are and remain financially stable."

By any stretch of the imagination, could medallion values going from over a million dollars to \$150,000 be construed as stability?

- (2) Beginning in 2011, Uber affiliated cars were allowed by the TLC to operate as black cars. These cars should have been properly classified as liveries which would have been subject to environmental review, which would have provided the growth control mechanism the TLC professes that they do not have. Or, if they were properly classified as black cars, then the owners of the cars have to be either cooperators of the bases or franchisees, which they are not.
- (3) In 2012 the TLC took the rates off the doors of yellow cabs, creating confusion among passengers as to the cost of the fare. It allowed hotel doormen to lie to tourists, often telling them that the fare is much higher than the black car or limo they would summon for them.
- (4) In 2012, an RFP for a universal app for yellow cabs was rescinded, which precluded any chance of brand recognition and being able to compete with rideshare apps. TLC has said regarding apps "the more the merrier".
- (5) App companies were allowed to use virtual meters. A virtual meter IS a meter. Only yellow and green cabs are supposed to have meters. TLC is now encouraging yellow segment to use virtual meters.
- (6) Distracted driving by app drivers is part of their job. Rules were changed by TLC to allow app drivers to interact with multiple devices.

This would help to explain the astounding increase in crashes by black cars. There has been a 647% increase, comparing monthly crashes by black cars in 2014 to 2018.

- (7) Requirement that black and livery cars be dispatched FROM a base ignored.
- (8) Proscription of cross category dispatching lifted. Everybody is dispatching to everybody.
- (9) Mandatory retirement for black and livery cars no longer required. Yellow cabs have mandatory retirement dates. Yellow cabs required to be inspected at Woodside facility every 4 months (recent change to every 8 months) while black cars are only inspected at Woodside every 2 years. If public safety was the number one priority, wouldn't the

inspection schedule be the same, especially since black cars do more mileage as per Bruce Schaller.

- (10) Disregard of wheelchair accessibility equivalent service requirement for black cars, while requiring 50% of yellow cabs to be accessible. The 50% wheelchair accessibility requirement was the result of a settlement by the TLC and the disabled community. Like the accessibility rules for airlines, the ADA does NOT require that taxis provide ANY wheelchair accessibility at all. After many years of inaction on the issue of lack of accessibility in the black and livery sectors, the TLC recently came up with rules which only required 5% of trips be carried out in accessible vehicles. But even that was considered too burdensome by the for-hire industry. Instead the TLC agreed that they can provide service to whomever demands it and if they meet the needs of the disabled community, however few vehicles that requires, they will be in compliance. In essence, isn't the tail wagging the dog?
- (11) Requirement that any new app or changes to an existing app be examined by TLC done away with. Now they are simply approved. In contrast, any changes to yellow and green e-hail apps must still be APPROVED. Changes to dispatch provider apps need only be DISCLOSED. E-hail apps for yellow and green cabs must be tested. There do not seem to be any similar requirements for apps. Also, the amount of bond for an e-hail app for yellow and green cabs is \$50,000. It is only \$5,000 for app companies such as Uber and Lyft.
- (12) Lack of protection of yellow franchise at TAXI stands.

So, how did we go from the TLC in the past encouraging drivers to buy medallions as "a worry free retirement" and a past commissioner speaking about our "protected access to a market" that we had paid for? When additional sales of medallions were contemplated or fare raises a comprehensive study was undertaken by the TLC to determine the effects of any changes on medallion values. How was it that in June 2015, in her testimony at the City Council on the cap, that Commissioner Joshi opined that "we are certain that the public will not lack for hire transportation options during the period of the pause." "There are plenty of vehicles to meet demand." That was 60,000 cars ago. During that hearing she also expressed her concerns on pollution, congestion and driver income.

http://www.nyc.gov/html/tlc/downloads/pdf/testimony_06_30_15.pdf

Why was it that after the April 2017 TLC hearing on industry economics, which went on for 6 hours and when medallion owners were begging the TLC Commissioners to shoot them because their lives had become so horrific, **the only thing that came out of that hearing was an option for tipping of app drivers.** How is it that when the TLC commissioned a study of driver income,

the academics who were tasked with the study were told to exclude the yellow industry from their considerations and also to not consider a cap on for hire vehicles?

In contrast, as it stands now, the TLC rarely takes our economic stability into account at all. This was laid out in an article written by TLC Chief of Staff Dawn Miller in August 2017 for Twitter Medium. It was a summary of a talk given by TLC Commissioner Meera Joshi at the NYC chapter of the Women's Transportation Seminar. It is entitled "To Act or Not to Act: A Regulator's Question". <https://medium.com/cityofny/to-act-or-not-to-act-a-regulators-question-24e417adf19>. It states that "a good deal of brain twisting and reflection went on at the TLC" to come up with this framework. According to their self-produced parameters, the TLC will act when there are safety, consumer protection, driver protection, externalities such as pollution, congestion, infrastructure burdens or when a rule has outlived its usefulness. They will not act when a reported "problem" is really a shift in market share or consumer preferences, there is no clear safety, consumer or public benefit or they feel there are real obstacles to their acting, such as lack of jurisdiction, state or federal law, funding or bandwidth.

There is absolutely no mention at all of the franchise which was purchased by medallion owners. Medallion owners who put their trust and their faith in NYC government. Medallion owners who expect the TLC to regulate and not stand by as merely observers.

This framework protects them from doing anything not in keeping with their ideological mandate, which, it appears to us, is de facto deregulation which means that in time there will be no difference between sectors. The industry will be a free for all with no respect given to franchise holders rights.

Until there is a TLC that will properly do its job, which does include limiting the number of for hire vehicles and enforcing a protected access to market that was bought and paid for with the sweat of the medallion owner drivers, there will be no stability in medallion prices and NYC will suffer from all the negative externalities that go along with an unregulated market such as congestion, pollution, crashes, diminution of driver income, discouragement of use of public transportation and billions of dollars in losses to the taxpayer.

The present debacle can be remedied. It didn't happen all at once. Our demise has been a long slow-moving series of events. The combination of unlimited for hire vehicles along with new or changed or overlooked rules created an avalanche one snowflake at a time.



CAROLYN PROTZ
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Member of the NYC Taxi Medallion
Owner Driver Association

FOR THE RECORD

Dear Honorable Reverend Diaz, Jr., and Members of the New York City Council For Hire Vehicle Committee:

Thank you for inviting us to testify at this morning's hearing. My name Jose Altamirano and I am testifying on behalf of the Livery Base Owners, Incorporated which represents over 150 livery bases in New York City. Our member bases serve approximately 150,000 New Yorkers each day in every borough across the city except for Staten Island. Our members are striving, working-class immigrants for whom English is a second language. We empower approximately 10,000 drivers who are hard-working immigrants themselves. We are integral parts of our communities, with deep, personal relationships with our customers, who have limited transportation options.

This year, the City Council has undertaken aggressive measures to fundamentally alter the way that New Yorkers receive transportation services. Just one month ago, the Council passed a package of bills that: provided much-needed relief from some of the excessive and punitive fines that the TLC has imposed on drivers; waived the licensing fee for wheelchair accessible vehicles; enacted tighter regulations on high-volume for hire

vehicle services; allowed the TLC to promulgate rules for a minimum payment to the drivers of vehicles affiliated with high-volume for-hire vehicle services as well as smaller bases; and placed a one-year moratorium on new FVH licenses.

Now, the Council is proposing a second round of bills in the for-hire vehicle industry. The LBO submits the following comments for your consideration.

LBO supports Intro 1079 (Richards), which establishes the Office of Inclusion within the TLC. This office will provide training to drivers to help eliminate potential bias and discrimination against certain passengers based on perceived race, gender, ethnicity, and national origin. We support this measure, as it could help make ALL New Yorkers feel welcome in the City and receive equal services.

LBO supports Intro 1068 (Levin), which provides financial education for drivers. LBO believes that it is important for drivers to be educated on financial matters as they make decisions about whether to buy, lease, or rent a vehicle.

LBO supports Intro 1081 (Salamanca), which establishes Driver Assistance Centers. These centers would provide financial and mental health services to drivers, who work long hours, navigate City traffic, learn and comply with numerous TLC rules, and interact with passengers who are sometimes intoxicated, stressed out, or otherwise not on their best behavior.

LBO takes no position on Intro 1069 (Levine) and Intro 304 (Rodriguez), as those bills are specifically related to taxi medallions.

LBO strongly opposes Intro 1052 (Johnson). The concept of the bill is admirable, because drivers, and in fact all New Yorkers, deserve health benefits. However, as drafted, this driver health benefits measure is seriously flawed. First, it is important to point out that the City attempted to provide driver health benefits in 2012, under Mayor Michael Bloomberg. At that time, the TLC established health and disability fund for medallion drivers, which was financed by a six-cent-per-fare deduction from driver earnings. The rule establishing the fund was struck down by the New York State Supreme Court when the Honorable Justice Margaret A. Chan ordered the TLC to end the program. Justice Chan ruled that the benefit fund should be established by the Legislature, not executive order. Citing

the important case of Boreali v. Axelrod, Justice Chan pointed out that the responsibility for health and disability regulations lie at the feet of the New York State Legislature, not the TLC. It is the LBO's position, therefore, that the City Council should withdraw this bill, and wait for the New York State Legislature to take up this issue.

Putting the significant legal issues aside, the LBO must point out a structural issue with Intro 1052. The bill mandates that each for-hire vehicle base pay a fee to the TLC for each trip dispatched. This per-trip fee blatantly ignores the fact that LBO's affiliated bases do not receive a per-trip fee from the passenger. Rather, our member bases charge a flat fee to each affiliated driver. And in exchange for that fee, the base agrees to dispatch calls to that driver. Once dispatched, the driver collects cash payments directly from the passenger. At no point does the driver then return to the base and submit a payment. Therefore, the benefits fund fee would come directly out of the base, and have no relationship to the actual trip performed by the driver. A better model would be a per-trip surcharge assessed to the driver, for each trip performed by that driver. This would preserve the appropriate nexus between the payment for a trip, and the TLC surcharge imposed on said trip.

LBO also opposes Intro 1070 (Moya), which would empower the TLC to regulate leasing and rental agreements between drivers and private companies. Intro 1070 is an unwise delegation of the City Council's power. Traditionally, the FHV industry has turned to the Council to provide a check on the TLC's fiats, but Intro 1070 turns that paradigm on its head. Rather than providing a check to the TLC, this bill gives a *blank* check to the TLC. The bill allows the TLC to study and regulate leasing and rental agreements between private individuals and leasing companies, giving that executive branch agency near complete power to regulate every single aspect of the for-hire vehicle industry. We are concerned with this concentration of power, as the TLC has demonstrated that it can be inflexible, heavy-handed and punitive.

LBO also opposes this bill because it is developed based on an incorrect premise: that drivers are being exploited. It is our experience that the financial arrangements entered into between the drivers and these services are mutually beneficial. Drivers receive a licensed, insured vehicle that will allow them to work and earn money. The leasing company holds all the risk: it must purchase the vehicles, license them with the TLC, insure them, and

maintain them. Then, when a driver is done using the vehicle, he can simply turn it in, and get a new one. Additionally, the driver can walk away from the lease at any time, leaving the leasing company without recourse to enforce the balance of the lease. We believe that at the very least, the bill should be amended to provide protections for leasing companies, in addition to any protections for the drivers.

In conclusion, the LBO thanks the City Council for allowing us to present our concerns and input on this latest package of bills. We make ourselves available to the Council to amend these bills to make them legally sound, and fair to ALL of us who have made transporting New Yorkers our livelihood.

Testimony by Medallion Owner Tamara Vishnyakova

NYC Council Committee on For Hire Vehicles

September, 17, 2018

My family came to New York as refugees from Russia. We, like so many other immigrants, were hardworking people. We raised our children and sent them to college, worked hard to make a living and then we looked forward to a well-deserved retirement. My husband drove a taxi for 19 years. He knew the industry-home to over 6,000 immigrants just like us-and saw an opportunity so we invested in a taxi medallion-what we understood to be a city franchise that promised financial stability. We paid hundreds of thousands for that publicly protected city franchise- we thought it would ensure our future.

Boy where we taken advantage of!

As hard-working immigrants, The City of New York betrayed us. Our elected leaders ignored us as our investment crashed. Newcomers with little or no investment came in and stole our livelihood while TLC regulators passes rule after rule that benefited the freeloaders at our expense. Look what happened to our future, and to a well-regulated and well-established public conveyance that has existed for 86 years.

I came to America from the Soviet Union where no one had any property rights. I thought that it would be different here but Meera Joshi and the TLC are proving me wrong.

We are not taxi workers, we are small business owners who bought an investment with equity. We don't need mental health counselors and health benefits, we need fair regulations that protect our investment. The group that represents taxi workers has its own interests, but they have never represented ours. If you're interested in helping us-after failing to do so, for the past four years-then recognize this simple fact: we don't need a union, we need our investments protected as the City promised.

In the space of a very short time, we lost everything. We lost our investment, we lost our retirement, we lost our income-and now we have no time to start something new from the beginning.

We are here to testify on Intro 1069, a bill that would set up a commission to study the problem of medallion owners with excessive debt due to the decline in the value of such medallions. The idea is worthwhile, but how can you give the authority to examine this problem that has destroyed so many lives **to the very agency that has not only done nothing for the past four years to help us, but has actively sabotaged our interests?**

A truly independent taskforce needs to be created by the City Council that can come up with ideas for aiding those medallion owners who have been defrauded by the very City that promised to protect the value of their investments. The task force needs to bring these ideas directly back to the City Council and the mayor-and do so quickly before more of us are driven to suicide.

If the City Council is truly concerned with the value of the taxi medallion, then there is one giant step that is necessary: Put the TLC under new management. These Bloomberg holdovers are saboteurs. We need new management that is willing to control the newcomers as tightly as they control yellow taxis. As part of this New Deal, all Ubers and Lyfts need to be connected by computer to a central TLC computer. Without this connection, the agency cannot make rules that will truly enact the legislation this Council has created-especially Intro 838 that can reduce the number of vehicles so everyone can make a living.

We are grateful that the Council leadership has taken some very bold steps. But your work has just started. Your legislation will slowly die if it is left to the current TLC to implement its provisions. Please don't put our fate in Meera Joshi's hands.

Testimony

Nicole Epstein

For Hire Vehicle Committee

NYC Council

September, 17, 2018

Good afternoon Chairman Diaz and the FHV Committee, my name is Nicole Epstein and I want to take this opportunity on behalf of NYETA, New Yorkers for Equal Transportation access- a coalition of immigrant medallion owners and disability advocates-to say thank you for this hearing and ALL of your efforts thus far to listen and respond to the concerns of the industry.

I'm here today to speak to the subject of Intro 1096 and Intro 1070.

There is no dispute that the TLC is ultimately is responsible for approving which vehicles are allowed to pick up passengers on the road. NYC yellow taxicabs are undergo a 200 point inspection from top to bottom and bumper to bumper every four months in the Taxi and Limousine Commission's own state-of-the-art Safety & Emissions facility in Woodside. Even in their final days as a taxicab, these yellow icons are arguably the safest vehicles on the road as quoted by Allan Fromberg – TLC Spokesman.

In a recent NY Times article, a medallion owner said he has had to shell out at least \$1,500 in repairs in order to pass. Medallion owners have testified time and time again that owning a medallion is very expensive not only due to the cost to buy the medallion in the first place, but also because of regulations that subject yellow cab drivers to more maintenance rules than drivers for ridesharing apps. By comparison, the commission requires the same 200-point inspection for ride-hailing apps once every two years. Ride-hailing app vehicles like Uber, obtain the remaining five required safety inspections at state-approved facilities – not at the TLC inspection facility.

Let's take a look at these vehicles that the Commissioner of the TLC has allowed to transport passengers in NYC with lowered safety inspections. On the "vehicle solutions" section of its New York website, Uber will connect a driver with its "partner" rental company. You must get your vehicle from a participating UBER dealer: Buggy TLC Rentals, American Lease, Fast Track Leasing, or Tower Auto Mall. All 4 companies were created in 2014/2015 and exist solely to give drivers with no credit history an UBER/TLC approved vehicle ASAP. In order to schedule an appointment with one of the four companies, it is necessary to have an UBER login.

Uber needs to find the people who are desperate and vulnerable because no one would sign a rental car agreement for a 2015 Toyota at the price of a Lamborghini unless they were desperate. As one driver explained it: "they didn't ask about my assets or income, "just that I had a bank account and worked for Uber."

The rentals and leases that Uber (very select limited models offered) offer carry weekly payments as high as \$500 or more for a basic Toyota. They also require the driver to sign a “payment deduction authorization” that requires the ‘partner dealers’ to take the rental fees directly out of their Uber earnings every week, effectively garnishing their wages. They take their commission before the rental cost comes out of your earnings:

Even though the lease agreement doesn’t explicitly state that the driver must only work for Uber, drivers are required to agree to some form of payment deduction from his Uber earnings as a term of the lease. Talk about freedom of choice.

Uber also declines to specify how many drivers currently rent or lease their cars through their partner dealers in New York because then their true nature will be exposed: they are a transportation company in every facet of the word. Uber claims that a “very small percentage” of drivers are in lease agreements. I’m sure.

According to Tower and Buggy - Tower executes about 200 car contracts a month **Buggy** signs more than 100 contracts for rentals and leases a month. This is only 2 of the 4 dealerships and until a true investigation are conducted, we will never know the true magnitude or if these quotes are even true.

Mandatory retirement for black and livery cars no longer required. Yellow cabs have mandatory retirement dates. Again, Yellow cabs required to be inspected at Woodside facility every 4 months while black cars are only inspected at Woodside every 2 years. If public safety was the number one priority for the TLC, wouldn’t the inspection schedule be the same?

Joshi has said different segments of the for-hire vehicle industry require different regulations, and that keeping them separate was important to maintaining consumer choice. What about consumer/driver protection and safety? When Meera Joshi thinks she is doing a benefit by eliminating retirement schedules or reducing inspections, in the guise that these vehicles are used for less mileage, it is absolutely fictional and against public policy as this is a severe safety issue that needs to be looked into.

Meera Joshi, as Commissioner of the TLC, has the duty to protect the drivers as well as passengers transported in FHV’s. Safety is paramount. Has the TLC done any type of investigation into the quantity or quality of the cars from these 4 companies? If safety and driver welfare is not a core function of the TLC, then what is?

If the TLC was aware of the claims made by hundreds of Uber drivers in yelp reviews, citing cars with breaks that don’t work and other serious safety issues, then what did the TLC do about it? Silence truly speaks volume.

HERE ARE A FEW SAMPLES OF THE TYPE OF GOOGLE REVIEW/YELP REVIEWS ON THESE 4 UBER PARTNER DEALERSHIPS IN NYC:

- (1) f there 0 star option i would rate them with no star. Don't ever think rent a car from this company. They are soooo unprofessional no one knows what they are spouse to do. **They**

rent me a car with brake issues and i realized that car has a problem in an hour later and took it back. They offer me the most expensive car of course. I said no and ask them to take car back. They told me i have to pay early termination fee because brake is just fine. i had to take car back and yesterday i was almost involved a car accident because brake did not work. I had a customer in my car. These people and this place needs to proper inspection and i believe this business must shut it down. the worst think ever you can get a ticket easily as a TLC driver or you got your license suspend but no one ever done about this kind of companies. What a fair world :(((
[https://www.google.com/search?biw=1089&bih=664&q=fast+track+leasing&oq=fast+track+leasing&gs_l=psy-ab.3..0j0i20k1j0l2.24612.26466.0.26626.18.17.0.0.0.175.1748.12j5.17.0....0...1.1.64.psy-ab..1.17.1745...0i131k1j0i67k1.X-hvdAmX7sg#lrd=0x89c25927f1b80593:0xe60a0a290f2ae3e3,1,](https://www.google.com/search?biw=1089&bih=664&q=fast+track+leasing&oq=fast+track+leasing&gs_l=psy-ab.3..0j0i20k1j0l2.24612.26466.0.26626.18.17.0.0.0.175.1748.12j5.17.0....0...1.1.64.psy-ab..1.17.1745...0i131k1j0i67k1.X-hvdAmX7sg#lrd=0x89c25927f1b80593:0xe60a0a290f2ae3e3,1)

- (2) do not rent from tower... you will have the worst experience ever...there staff is completely unprofessional...on top of that all of there vehicles are complete trash...there bronx location gave me a vehicle with zero gas in it and the vehicle is no longer starting i have only had this vehicle for 2 days... i also have the paper work that says this car should be back at the dealership so they deliberately rented out this car knowing that people's lives will be at risk... i will never do business with these monkeys again!!
- (3) fasttrack will charge you \$1000 when you go for oil chage or return car. They will find any excuse to charge you \$1000. When you go to return the car or any mechanical issue at 21st and 37th avenue. The guys over there smoke cigarettes and weeds all the time. Very unprofessional. Fasttack doesn't give any dam how long have you been woking with them, it will still chage you hidden fees and will give you excuse they "we have pending tolls". I felt like robbed, cheated and decived when fasttrack charged me for the damage they i didn't cause. I wish this compnay goes out of business and backcorrupt. We make so much hard work and drive long hours to make money and it will chage you and will give you BS escuse. I warn every driver who decides to rent car from there.
- (4) This is most terrible company on the earth!!! Liars liars liars! I think they soon get in prison!
- (5) WARNING DO NOT GO TO THESE PLACE, they threat you like a animal even worse. they steal your money. Unprofessional staff, when you ask to see the cars they show you the cars on the parking and they say to you like those, that look regular and when i received the car, the car was in horrible conditions. If you dont work for any reasons and dont make the amount on uber the tooked from the account that you give them and they CHARGE YOU \$25.00 DOLLARS because you dont make the money on uber. Doesn't matter if you have money in your account. When you ask them they say " that is in the papper that you sign when you give us the card and we told you". But is not they say" sign hear and hear that car is only in case that you dont make the money we took the rent amount from your account, nothing else". When the people call and ask for someone they say" transfer the call to this extension because nobody is there. When the people are on the phone they try to look nice but when the person hang up the phone, they star laugh at the person. MICHELLE ONE THE PAYMENT AREA IS THE WORSE.
- (6) They are quick to take your money and give you a dirty broken down car. The wipers don't work, it's filthy inside and out, scratches all over the car, and dents from all the previous drivers before you. When you return the car, they try to blame you for all the

damages. It's a good thing I took pictures beforehand. The customer service is a laughingstock. They give you the run around and don't know how to properly respond to your questions. They charge your credit card for the first payment of the loan of the car and still deduct payment from your Uber account. When you close the account and return the car, they take forever to return the payment back to your credit card. They keep saying they haven't charged your credit card but if you look at your statement, it clearly says they have and **THEY WILL DEFINITELY DENY IT. DON'T DO BUSINESS WITH THIS COMPANY!!!!!!**

- (7) This is second time I rent from fast track . They just take the money from your earnings . They don't give a detail bill to see what was charged . They charge you for tolls even If you have easy pass. Do not rent from here I warn you you will be working just to pay fast track and you will have the worst experience. Stay away !
- (8) For your own peace of mind, do not do business with Fast Track. Their "Lease to Own" policy is nothing but a way to rob you senseless. You will NEVER receive a penny to repair the vehicle from insurance EVEN though they've filed claim. If they repair the vehicle expect to pay A LOT for shabby work. The customer service is atrocious! Everything about this company screams CON because there's no way this could be legal.
- (9) Fast Track Leasing LLC is an Uber Vehicle solutions rental company. They are the worst! Do NOT even think about renting a vehicle from these people! They are the most unprofessional, incompetent, unorganized, and rude people I have ever had the misfortune of doing business with. Avoid this company at all cost! The car was given to me filthy, inside and out and smelled like urine. They have no customer service skills at all. They act like they are doing you a favor by renting your an over priced rental car. If anything goes wrong with the car, you are responsible for everything. There is no roadside assistance, no emergency phone number, no spare tire or tools. These people are bottom feeders, taking advantage of the desperate, the poor, the uneducated and ignorant immigrants. The contract they make you sign is a contract with Satan. Once you sign that contract, you are left with absolutely no rights. Don't do it!! I guarantee, any basic investigation by TLC or The New York State Department of Investigation, would uncover a gold mine unethical and abusive business practices. **YOU HAVE BEEN WARNED!!!**

Driver Opportunity Service Association (DOSA)
Testimony on Intro. 1070-2018
New York City Council Committee on For-Hire Vehicles
September 17, 2018

Good morning, Chair Diaz and members of the Committee on For-Hire Vehicles. My name is Eric Rothman, the president of the Driver Opportunity Service Association (DOSA). DOSA is a membership organization dedicated to providing short-term rental of vehicles to drivers in the for-hire vehicle (FHV) industry. Thank you for allowing me the opportunity to testify on Intro. 1070.

There are a number of factors that differentiate short-term rentals from lease or lease-to-own arrangements. Leases lock drivers into multi-year contracts, often with high interest rates, leaving them with a depreciated asset. Rentals, however, are designed to provide drivers with flexibility. Our agreements are typically one or two weeks in duration, renewable at the driver's option. This allows drivers to switch between vehicle sizes and models to find the vehicle that meets their needs. It also gives them the flexibility take time off or to leave the industry without the burden of ongoing lease payments.

Unlike leasing, the short-term rental model provides drivers with a set price, eliminating the need for financing and preventing unexpected costs throughout the term of the agreement. The rental company retains responsibility for preventative maintenance, mechanical repairs, liability and collision insurance, TLC and emissions inspections, and other costs. If the vehicle has mechanical failure or is in an accident, a replacement vehicle is provided. This minimizes the out-of-pocket costs to the driver and allows them to spend more time working, collecting fares.

DOSA members support the Council's effort to increase transparency and consumer protections in the FHV leasing and short-term rental markets. These are practices that DOSA members already implement, but many companies unfortunately do not. We commend the Council for mandating them throughout the industry, protecting drivers and maintaining a fair marketplace. Requiring that all companies disclose all fees and provide other protections will ensure that drivers can properly evaluate the full cost of renting a vehicle and shop around to find the most competitive price.

However, we have concerns about the unintended consequences of placing price caps on the rental market. Unlike FHV leasing, short-term rental companies are responsible for oil changes, insurance, and other costs; the price of rentals must be able to accommodate fluctuations in the economy to account for these items. If we cannot afford to maintain a fleet, we will not be able to provide this service and the necessary flexibility to drivers.

DOSA members look forward to working with the Council to increase protections for drivers and maintain a competitive and fair marketplace for FHV-licensed vehicles.

Thank you for your time.

TESTIMONY OF JEFF ROSE, PRESIDENT OF THE LIMO ASSOCIATION OF NEW YORK, BEFORE THE NEW YORK CITY COUNCIL COMMITTEE ON FOR-HIRE VEHICLES

September 17, 2018

Chairman Reverend Diaz and Members of the Committee:

Thank you very much for the opportunity to be heard on the important legislation before the Committee for consideration today.

My name is Jeff Rose and I am the President of LANY, the Limo Association of New York. We represent the interests of those For-Hire Vehicle bases in the TLC's Luxury Limousine category.

Many people lump us in with the other operators in the FHV industry. But there is a crucial difference that separates us from the Liveries, Black Car services, and the TNCs such as Uber, Lyft and Via.

The vast majority of drivers in those FHV segments are independent contractors who work with little or no economic safety net. They are responsible for paying the cost of their vehicles, gas, insurance, maintenance and so on. Few if any receive company provided health insurance or other benefits.

On the other hand, the vast majority of drivers in the Luxury Limousine segment are true full-time employees with all the attendant protections and benefits, whether by law or customary practice. The employer covers all of the aforementioned costs associated with operating these company owned vehicles. Our drivers are not burdened with crippling expenses and debt just to try and make a living.

Luxury Limo base employers must comply with the Affordable Care Act, paying significant premiums to provide health insurance to their employees and their families. These employees are protected by the Federal Fair Labor Standards Act which covers minimum wage, guaranteed overtime, record keeping, and more. Employers are already required to comply with rules on paid sick leave and to provide Workers Comp and Unemployment insurance. Many offer health coverage that exceeds ACA requirements and offer other benefits such as 401k retirement programs.

Moreover, these are good paying jobs that enable entry into the middle class for people who may not have a diploma of any kind. At my company, full time drivers average around \$25/hour. During busy season, many make over \$30/hour. Already, I have three drivers who are in within reach of earning \$100,000 or more before year's end.

To the extent that the word limousine may conjure images of wealth and excess, if it applies at all, it applies to the person in the back seat, not the driver in the front seat, or the operators still struggling to recover after several years of a bone crushing recession. As the economic disruptors in the FHV industry make it difficult to raise prices, we have had to absorb tremendous increases in the costs associated with providing our service.

In particular, we have seen significant price hikes in employee health insurance, vehicle insurance, gasoline, and an extraordinary expansion in regulatory mandates and fees. If we are compelled to pay even more mandated fees to provide employee-like benefits to independent operators associated with other FHV industry segments, while already bearing the costs of providing these very benefits to our own employees, many operators will likely cease to exist under what would be a form of double taxation, taking all those good, legitimate jobs with them.

We hope that as the Council and the Administration pursue efforts to address adverse impacts from the growth of FHV's, that they do not impose solutions that will have the unintended effect of killing the best driving jobs in this most diverse industry.

Additionally, I want to clarify that we do not seek to be exempted from all regulation. LANY believes in sensible regulation to maintain the highest standards of safety for our customers and for all drivers and pedestrians alike. We merely seek a common-sense approach that recognizes the economic reality of our differing operating mode, in a rapidly changing FHV industry.

In closing, I want to add that the Luxury Limousine segment constitutes about 2% of the vehicles in the TLC regulated FHV industry. Jobs are booked well in advance and we do not offer on demand service. Our vehicles are not cruising to await calls and generally remain stationary unless on a job or going and returning from one. Therefore, we do not contribute to traffic congestion in any significant way. The moratorium on new vehicle licenses is a barrier to competition and customer choice. It imposes significant new costs merely to maintain current fleet size, thereby limiting the opportunity to expand the availability of these good jobs for employee drivers.

New York City Council
For-Hire Vehicles Committee Hearing
September 17, 2018
New York City

Testimony Submitted by
James A. Parrott, Ph.D., Director of Economic and Fiscal Policies
Center for New York City Affairs, The New School

Mr. Chairman, and members of Committee, thank you for the opportunity to testify today. My name is James Parrott, Director of Economic and Fiscal Policies at the Center for New York City Affairs at The New School. The Center is an applied policy research institute that drives innovation in social policy by providing analysis and public policy solutions. We focus on how policy impacts low-income communities, and we strive for a more just and equitable New York.

Let me first congratulate this Committee and the entire City Council for passing a landmark package of legislation on August 8 that makes important progress in regulating the dramatic expansion in the app-dispatched for-hire vehicle (FHV) segment. Authorizing a minimum pay standard for FHV drivers and pausing the growth in FHVs while further study is made of the impact on congestion and FHV and medallion driver income were critical components of this historic legislative package.

Along with Professor Michael Reich of the Center for Wage and Employment Dynamics at the University of California at Berkeley, I co-authored a major study for the City's Taxi and Limousine Commission, *An Earnings Standard for New York City's App-based Drivers: Economic Analysis and Policy Assessment*.¹ As you know, our study examined the prevailing business model used by the app-dispatch companies, we considered the fact that the drivers are responsible for the bulk of the capital investment that is deployed in this industry, and we found that 85 percent of drivers had net earnings after operating expenses that were below \$17.22 an hour. (\$17.22 is the independent contractor equivalent of \$15.00, plus 90 cents an hour to fund a modest allowance for paid time off.)²

There is much of merit in the new package of nine bills being considered at this hearing. One of the most significant is Intro. 1052 that authorizes the TLC to establish a program of benefits, including health benefits, to taxi and FHV drivers. In our report, we noted the dire condition of drivers' access to health benefits, as indicated in the figure below from our report. The table is fairly self-explanatory, but it should be emphasized that given the current classification of almost all taxi and FHV drivers as independent contractors and not employees, it would be rare for any such driver to have health insurance provided by the business for which they work.

¹ James A. Parrott and Michael Reich, *An Earnings Standard for New York City's App-based Drivers: Economic Analysis and Policy Assessment*. Report for the New York City Taxi and Limousine Commission, July 2018. <http://www.centernyc.org/an-earnings-standard>

² Almost all drivers working for the app-dispatch FHV companies are independent contractors, not employees. As independent contractors they are also responsible for the employer share of payroll taxes. Currently, drivers do not receive any paid time off, including paid sick days.

Figure 1

Health Insurance Coverage--Taxi and FHV Drivers

Medicaid	40%
Medicare	4%
Employer provided *	26%
Purchase own insurance	14%
Uninsured	16%
Total	100%

* Includes spousal coverage by employer-provided health insurance.

Note: All those working more than 26 weeks; includes all NYS and NJ residents working in NYC.

Source: 2016 American Community Survey.

Seventy percent of drivers have Medicaid coverage (40 percent), purchase their own insurance (14 percent), or are uninsured (16 percent.) It is long overdue for the TLC to have the authority to establish a driver health insurance benefit, or other program that could provide mental health care services, vision services, disability insurance, sick pay insurance, unemployment insurance or supplemental workers' compensation insurance.

There is also an urgent need to assist financially-stressed medallion owner-drivers. Intro. No. 304 would create a task force to study taxicab medallion values, and Intro. No. 1069 would explore how to address the problem of medallion owner debt. Two other bills—Intro. 1068 and 1081 relate to providing financial and other assistance, such as mental health referrals, to taxi and FHV drivers. Based on our research on the industry and the situation of drivers, these bills call for much-needed assistance.

Three of the bills involve TLC establishing regulations regarding the leasing, rental or conditional purchase of FHV's (No. 1070), clarifying the description of any deductions from HV-FHV driver pay (No. 1096), and protecting FHV drivers in the event of the loss of digital payments made by passengers (Intro. 1062.)

Last but certainly not least, Intro 1079 establishes a TLC office of inclusion to track and address instances of refusal to provide services to passengers or prospective passengers on the basis of race, color, ethnicity, disability, gender, sexual orientation or destination. This has long been a source of justifiable concern and a concerted effort is needed to deal with this problem, including trainings, a public awareness campaign, and a mechanism for the submission of complaints to the commission. The office of inclusion would also address other issues related to racism and discrimination in the FHV industry.

Based on my study of the industry, these bills address important needs and warrant passage. I congratulate this Committee and the Council for developing much-needed policy solutions to the problems and issues that have emerged with the rapid expansion in the FHV industry in recent years. Hopefully, this package of bills and the set of five bills enacted in August will establish an updated and workable framework for effective TLC regulation going forward.

Thank you for the opportunity to testify today.

To the New York City Council

Response in opposition to Proposed rule 1070 to Expand Financial Transparency for Drivers

City Livery Leasing (CLL) was formed in 2011 to address the needs of the FHV industry of financing opportunities to drivers that otherwise were not able to acquire a vehicle. The business model of CLL is to provide an all inclusive lease to buy option at affordable rates to the drivers that lack credit or had no credit history at all. Most of our customers (drivers) would not be considered credit worthy to the traditional automobile lenders and banking institutions. We have provided the opportunity for more than 5,000 drivers to own their vehicle upon completion of their leases.

Our leasing model include the cost of purchasing the new vehicle, retrofitting the vehicle with cameras and GPS locators, title and registration to DMV, TLC licensing fees, liability insurance, comprehensive insurance and sales taxes.

A minimum down payment of \$500 is collected from the driver to obtain a new vehicle and the driver is required to make weekly payments in the amount of \$405 per week for 3 years that include all of the charges and fees outlined above. At the end of the lease title is transferred to the driver.

The cost to a leasing company of acquiring and getting a vehicle ready to deliver to a driver on a lease is as follows:

LEASE COST ANALYSIS FOR A 2018 CAMRY

	<u>Total Cost</u>	<u>WEEKLY</u>
Purchase price of 2018 Camry SE	23,500.00	\$ 151
Camera & GPS (\$800 per Car)	800.00	\$5
GPS Monitoring fees (\$18 per month)	648.00	
Inspection DMV (\$10)	10.00	\$0
Service fees for DMV procurement (\$50 Per Car, Once per 3 year	50.00	\$1
Insurance Liability per Car (\$4900 x 3 years)	14,700.00	\$94
Insurance Collision per car (\$2400 x 3 yrs)	7,200.00	\$46
TLC Cost (\$550 1st 2 years \$625 last year	1,175.00	\$8
DMV (\$525 x 3 yrs)	1,575.00	\$10
Storage, tolls and gasoline during licensing waiting period	153.00	\$1
Sales Taxes Based on total base lease	2,948.00	\$19
Carrying cost of vehicle waiting for license (3 weeks)	1,215.00	\$8
Interest Expense	2,368.00	\$15
Total Cost over 3 years	56,342.00	\$ 358

Total Collection on a Lease for a 2018 Toyota Camry SE \$405 per week

Down Payment	500.00
Weekly payments total \$405 for 156 Weeks	63,180.00
Total Collection if all weeks paid	63,680.00
Projected Gross Profit before Loss provision allocation	7,338.00
Projection for uncollected 3% of collection	1,895.40
Net Profit	5,442.60

If we compare the cost of leasing a new 2018 Toyota Camry to purchasing and financing the same vehicle, we can see that the total cost to the driver will be \$568 more than if he leases a vehicle from a FHV leasing company.

Cost to Drivers 2018 Toyota

Camry

	<u>Leasing</u>	<u>Buying</u>
Initial Down Payment	\$500	\$2,500
Monthly Payments	\$1,620	\$817
Total payment over 3 Yrs	\$63,180	\$29,412
Insurance liability (3Yrs)		\$19,500
Insurance Collision 3 Yrs		\$7,200
TLC & DMV (3 Yrs)		\$2,750
Camera		\$800
Sales Taxes		\$2,086
TOTAL PAYMENT	\$63,680	\$64,248

The driver will need in addition to a down payment of at least \$2500, he will need to pay for the TLC and DMV licensing fees, the camera installation and down payment on insurance liability and collision. Let's show the total cash required to buy a vehicle and finance it in comparison to a lease:

	<u>Leasing</u>	<u>Buying</u>
Down Payment	\$500	\$2,500
TLC License		\$550
DMV Title and Registration		\$529
Camera		\$550
TLC Package		\$150
Down Payment on Insurance		\$2,500
Total Cash Required	<u>\$500</u>	<u>\$6,779</u>

The leasing companies are able to secure wholesale prices for the acquisition of the vehicle and obtain a group insurance policy that is it usually lower than the price that an individual driver will pay for the same policy.

Benefit of leasing a vehicle from a leasing company:

Lower initial cash required of \$500 instead of \$6779

Waiting time to get the vehicle. Delivery the next day instead of waiting weeks

No credit requirement, lending institution will required good credit history to finance a vehicle

All the licensing and registration procedures are made by the leasing company

The ability of adding a second driver to the vehicle at no extra cost

There is a lot of risk in the leasing business especially when you are leasing to people who do not have positive credit histories, in our 8 years of experience we see drivers walk away from leases weeks after taking delivery of the vehicle because they have decided that FHV driving is not for them or that they find a better deal from another leasing company. The drivers leaves us with hundreds of EZ pass and DMV violations that we need to cover out of pocket since the violations are tied to the legal owner of the vehicle, i.e. the leasing company not the driver. Plus, when a driver breaks the lease, we must accept the full loss on the lease which creates accounting and sales tax issues as we find a new lessee.

While we welcome and appreciate the idea of full and clear disclosures on lease charges and fees by the City Council to protect the drivers from unscrupulous leasing companies, we are concerned about rules that may include "caps" on what can be charged to a driver. As demonstrated above, it is market and regulatory forces that control the range of pricing from the costs of the car to the state and city fees. If

the City Council goes to cap what we can charge, such a cap is being done in a vacuum as costs in each category may change to the point where a cap would drive leasing companies from the business. As noted above, this is a business that supports those who cannot otherwise make a living. So long as the costs and fees are fully disclosed along with other proposals from the Council regarding driver earnings, then the drivers should be strongly protected from unscrupulous leasing companies. Caps do not work to support the economic cycle of this business-this cycle includes both the driver and the leasing company who are both subject to market forces.

We urge the NYC Council to consider the above before implementing regulations that could do more damage to the drivers than good.

THE NEW YORK CITY COUNCIL COMMITTEE ON FOR-HIRE VEHICLES

Monday, September 17, 2018

Int. No. 1062-2018

Written Testimony for FHV bases that use the Uber app¹

FOR THE RECORD

The Uber bases welcome a conversation with the New York City Council on ways to better regulate the for-hire vehicle (FHV) industry while ensuring that any ensuing legislation does not threaten the affordable and reliable transportation options on which millions of riders outside of Manhattan rely.

Int. No. 1062-2018 would require taxi and FHV drivers to be paid the full amount for a trip regardless of whether the digital payment is denied. While we support the intent of this legislation, we urge the Council to allow payments to be refused or adjusted in instances where there is reasonable suspicion of fraudulent activity or a violation of relevant contract terms, regulations, or provisions of law by the taxi or FHV driver.

We would be happy to discuss these policies with any member of the FHV Committee and to answer any questions they may have about the Uber bases' existing TLC licenses and business operations in New York City.

¹ We use "Uber bases" to refer to Abatar, LLC; Acht-NY, LLC; Achtzehn-NY, LLC; Danach-NY, LLC; Dreist-NY, LLC; Dreizehn-NY, LLC; Drinnen-NY, LLC; Eins-NY, LLC; Einundzwanzig-NY, LLC; Elf-NY, LLC; Funf-NY, LLC; Funfzehn-NY, LLC; Grun, LLC; Kuchen, LLC; Neun-NY, LLC; Neunzehn-NY, LLC; Schmecken, LLC; Sechs-NY, LLC; Sechzehn-NY, LLC; Sieben-NY, LLC; Siebzehn-NY, LLC; Unter LLC, Vier-NY, LLC; Vierzehn-NY, LLC; Weiter, LLC; Zehn-NY, LLC; Zwanzig-NY, LLC; Zwei-NY, LLC; and Zwolf-NY LLC.

*Copy Submitted
By MR MATHURIN LOBE
"ABRAHAM"*

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14 UNITED STATES DISTRICT COURT
15 FOR THE NORTHERN DISTRICT OF CALIFORNIA
16 San Francisco Division

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17 FEDERAL TRADE COMMISSION,
18
19 Plaintiff,
20
21 v.
22 UBER TECHNOLOGIES, INC.,
23 a Delaware corporation,
24
25 Defendant.

*email PASTOR M LOBE @
GMAIL.COM*

Case No. _____

**COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF**

26 Plaintiff, the Federal Trade Commission ("Commission" or "FTC"), for its Complaint
27 alleges:

28 1. The FTC brings this action under Section 13(b) of the Federal Trade Commission
Act ("FTC Act"), 15 U.S.C. § 53(b), to obtain temporary, preliminary, and permanent injunctive

COMPLAINT

1 relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement
2 of ill-gotten monies, and other equitable relief for Defendant's acts or practices in violation of
3 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), in connection with its false, misleading, or
4 unsubstantiated claims regarding driver earnings and its Vehicle Solutions Program.

5 **JURISDICTION AND VENUE**

6 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a),
7 and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

8 3. Venue is proper in this district under 28 U.S.C. § 1391(b)(1), (b)(2), (c)(2), and
9 (d), and 15 U.S.C. § 53(b).

10 **INTRADISTRICT ASSIGNMENT**

11 4. Defendant markets its services throughout the United States, including throughout
12 the county of San Francisco.

13 **PLAINTIFF**

14 5. The FTC is an independent agency of the United States Government created by
15 statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a),
16 which prohibits unfair or deceptive acts or practices in or affecting commerce.

17 6. The FTC is authorized to initiate federal district court proceedings, by its own
18 attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as may be
19 appropriate in each case, including rescission or reformation of contracts, restitution, the refund
20 of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b) and 56(a)(2)(A).

21 **DEFENDANT**

22 7. Defendant Uber Technologies Inc. ("Uber" or "Defendant") is a Delaware
23 corporation with its principal place of business in San Francisco, California. Defendant is a
24 mobile ride-hailing business and transacts or has transacted business in this district and
25 throughout the United States.

1 COMMERCE

2 8. At all times material to this Complaint, Defendant has maintained a substantial
3 course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act,
4 15 U.S.C. § 44.

5 UBER’S BUSINESS ACTIVITIES

6 Overview

7 9. Uber distributes a mobile software application (the “App”) that connects
8 entrepreneurial consumers who are transportation providers (hereinafter “Uber Drivers” or
9 “Drivers”) with consumers seeking those services (hereinafter “passengers” or “customers”).
10 Uber recruits and approves consumers to become Uber Drivers, sets the rates that Drivers charge
11 for providing transportation, and collects a portion of the fares that Drivers charge for each ride.
12 To maximize its revenue, Uber must amass a sufficient supply of Drivers to meet passengers’
13 transportation demands.

14 10. Since at least May 2014, to recruit consumers to drive for Uber, Uber has
15 disseminated or caused to be disseminated advertisements encouraging consumers to become
16 Uber Drivers on various websites, including but not limited to Craigslist.com and Uber’s own
17 website. In its advertisements, Uber claims that Uber Drivers can earn specific high hourly and
18 yearly earnings. Notwithstanding these representations, in many instances Drivers have not
19 earned the high earnings touted by Uber.

20 11. Since at least November 2013, to further recruit Drivers, the company has offered
21 an auto program, known as Uber’s “Vehicle Solutions Program,” which connects prospective
22 Drivers with auto companies to buy or lease a vehicle they can use to drive for Uber. Uber has
23 made numerous claims touting the low cost and unlimited mileage of its auto program, even
24 though Uber has had no basis with which to make these claims. Indeed, the company has had no
25 oversight of, nor has the company monitored, the terms and conditions of its Drivers’ auto
26 agreements through the Vehicle Solutions Program. Further, Drivers in Uber’s Vehicle
27 Solutions Program – which has connected Drivers with subprime auto companies and dealers –
28

1 have in many instances received worse than industry average rates, made payments for hundreds
2 of dollars more per month than advertised, and entered into leases imposing costs for mileage.

3 12. Uber's earnings and auto claims have enticed numerous consumers to become
4 Uber Drivers and purchase or lease vehicles through Uber's Vehicle Solutions Program. Based
5 on Uber's representations, consumers have paid at least \$1,000 to enter into leases or retail
6 installment contracts for new or used vehicles at higher costs and worse terms than those
7 advertised. When Uber's promised earnings have not materialized, and Drivers have attempted
8 to cancel their auto agreements, they have incurred significant monetary harm. Uber has
9 collected significant revenues from its Drivers' fares, including tens of millions of dollars from
10 Drivers participating in the Vehicle Solutions Program. Uber's practices have caused its Drivers
11 to suffer millions of dollars of injury.

12 **How Uber Works**

13 13. Passengers book transportation services from an Uber Driver using a publicly
14 available version of the Uber App that can be downloaded to a smartphone. When a passenger
15 submits a transportation request through the Uber App, the request is transmitted to the nearest
16 available Driver signed into the App. Once a Driver has accepted a request, the App alerts the
17 customer of the Driver's name and vehicle information and facilitates passenger pick-up.
18 Following completion of the trip, Uber bills the cost of the trip to the customer. Uber later remits
19 a portion of the amount it collects to the Driver, after deducting any fees that Uber collects.

20 14. Uber offers multiple transportation service options to its customers, including a
21 relatively lower cost option called "uberX" as well as higher cost options such as "UberSelect,"
22 "UberBlack," and UberSUV." The majority of Uber Drivers provide their own vehicles.

23 15. For each service option available, Uber has set minimum standards that its
24 Drivers' vehicles must meet in order to qualify for use with Uber. These standards vary per
25 service option and city. For example, an uberX Driver in New York City must have a vehicle
26 that is model year 2010 or later and seats at least four passengers comfortably, while an
27 UberBlack Driver must have a 2010 or later luxury vehicle that seats at least six passengers
28 comfortably. In San Francisco, an uberX vehicle must be model year 2001 or later and also must

1 seat four passengers comfortably, while an UberBlack vehicle must be model year 2010 or later
2 and a luxury sedan that seats six people comfortably.

3 16. Uber has classified its Drivers as independent contractors, not employees.
4 Drivers have paid all expenses associated with operating a car service, including using their own
5 cars and paying for all gas and tolls.

6 17. Uber has set the Drivers' fares for each service option in each city based on
7 Uber's own formula, calculated using either a per-mile rate or a per-minute rate on top of a base
8 fare. Uber charges a service fee for each trip, which Uber has calculated as a percentage of the
9 Drivers' total fare for the trip, usually 20%. Prior to calculating its service fee, Uber also has
10 charged each Driver a one dollar "safe-rides" fee to cover the cost of screening Drivers and cars
11 for safety. Uber has deducted these fees from the amount remitted to the Driver each week.

12 **Defendant's Earnings Claims**

13 18. To induce individuals to become Uber Drivers, Uber has advertised and marketed
14 the earning potential of its Drivers on Craigslist, its company website, and other advertising and
15 marketing media. Uber has publicized high annual and hourly earnings to entice consumers to
16 become Uber Drivers. However, once Drivers have begun to receive their paychecks, Drivers
17 have discovered their actual earnings were substantially less than Uber has claimed.

18 19. For example, from at least May 2014 until August 2015, Uber published a
19 statement from the CEO on its website titled, "An Uber Impact: 20,000 Jobs Created On The
20 Uber Platform Every Month." In this post, Uber claimed that its uberX Drivers' "median income
21 is more than \$90,000/year/driver in New York and more than \$74,000/year/driver in San
22 Francisco." Multiple news sources disseminated this statement, including Businessinsider.com,
23 CNBC.com, Forbes.com, and Slate.com. In August 2015, Uber revised the CEO's entry on its
24 website so that the post reads: "[T]he potential income a driver on uberX can make in a year is
25 more than \$90,000 in New York and more than \$74,000 in San Francisco."

26 20. Notwithstanding these representations, for at least the year preceding the CEO's
27 statement (May 2013-May 2014), the median uberX Driver in New York City earned \$29,000
28 less annually than Uber claimed and the median uberX Driver in San Francisco earned \$21,000

1 less annually than Uber claimed in its website post when Drivers' hours are standardized to a 40-
2 hour work week. Moreover, less than 10 percent of all Drivers in New York and San Francisco
3 have earned the stated income.

4 21. Uber has inflated its hourly Drivers' earnings in job listings as well. For example,
5 from at least January 2015 through March 2015, Uber represented in Craigslist advertisements
6 that its Drivers make high hourly rates in cities across the country even when working flexible
7 and part-time hours. Specifically, Uber placed the following advertisements for Driver positions
8 in various markets:

- 9 a. "Make \$16/hour" in Atlanta, GA;
10 b. "Make \$16/hour" in Baltimore, MD;
11 c. "Make \$25/hour" in Boston, MA;
12 d. "Make \$21/hour" in Chicago, IL;
13 e. "Make \$15/hour" in Dallas, TX;
14 f. "Make \$20/hour" in Denver, CO;
15 g. "Make \$17/hour" in Houston, TX;
16 h. "Make \$20/hour" in Los Angeles, CA;
17 i. "Make \$16/hour" in Miami, FL;
18 j. "Make \$18/hour" in Minneapolis, MN;
19 k. "Make \$21/hour" in New Jersey;
20 l. "Make \$20/hour" in Orange County, CA;
21 m. "Make \$25/hour" in Philadelphia, PA;
22 n. "Make \$20/hour" in Phoenix, AZ;
23 o. "Make \$20/hour" in San Diego, CA;
24 p. "Make \$29/hour" in San Francisco, CA; and
25 q. "Make \$21/hour" in Washington, DC.

26 22. As with its website post, Uber's representations in these Craigslist advertisements
27 overstate Drivers' earnings as higher than the median hourly earnings in these markets. For
28 example, Uber's data on hourly earnings indicates that, in Boston, Minneapolis, and,

1 Philadelphia, for the four weeks preceding January 5, 2015, for all Drivers in each of those cities,
 2 fewer than 10% of Drivers averaged Uber's promised hourly rate. In 14 additional cities, for all
 3 Drivers in each of those cities, fewer than 30% of Drivers averaged Uber's promised hourly rate:

City	Craigslist Advertisement Quoted Hourly Fare	Percent of Drivers Averaging Quoted Hourly Fare
Atlanta	\$16	Fewer than 30%
Baltimore	\$16	Fewer than 20%
Boston	\$25	Fewer than 10%
Chicago	\$21	Fewer than 20%
Dallas	\$15	Fewer than 30%
Denver	\$20	Fewer than 20%
Houston	\$17	Fewer than 30%
Los Angeles	\$20	Fewer than 20%
Miami	\$16	Fewer than 50%
Minneapolis	\$18	Fewer than 10%
New Jersey	\$21	Fewer than 30%
Orange County	\$20	Fewer than 20%
Philadelphia	\$25	Fewer than 10%
Phoenix	\$20	Fewer than 30%
San Diego	\$20	Fewer than 20%
San Francisco	\$29	Fewer than 20%
Seattle	\$20	Fewer than 30%
Washington, D.C.	\$21	Fewer than 20%

23. During and after the time period Uber has made these unsubstantiated earnings
 26 claims, in many markets, most Drivers have not made the claimed amount. In many instances,
 27 Drivers have not made the promised amounts even when factoring in non-hourly earnings, such
 28

1 as payments for time-limited promotions and other incentives. These promotions and incentives
2 often have been contingent on working specific late-night hours, accepting a minimum
3 percentage of trip requests, completing a set number of trip requests within a limited time period,
4 driving in a certain geographic area, or fulfilling other requirements.

5 **Defendant's Vehicle Solutions Program**

6 24. Since at least November 2013, Uber has induced consumers to become Uber
7 Drivers by touting its Vehicle Solutions Program through its marketing materials. Uber has
8 directed prospective and current Drivers interested in the program to specific auto companies,
9 and often to specific employees at auto dealerships. Uber has entered into contracts with three
10 subprime auto companies to offer auto deals to Uber Drivers as part of the program. Auto
11 payments are deducted automatically from Drivers' total weekly fares, before any earnings are
12 remitted to the Uber Driver.

13 25. From November 2013 to April 2015, over 5,000 Drivers entered into deals with
14 one of the three auto companies through Uber's program, with nearly all Drivers entering into
15 that company's four-year "lease-to-own financing option" available only to Uber Drivers. To
16 participate in this program, Drivers are required to pay at least \$1,000 for a down payment and
17 \$1,000 for security deposit, which many Drivers have elected to distribute over the lease term.

18 26. The two other auto companies have financed vehicle sales for Uber Drivers
19 through Uber's Vehicle Solutions Program exclusively using retail installment contracts. One
20 company participated in the program from November 2013 to May 2015, and the other company
21 participated from November 2013 until at least April 2016. Drivers first have entered into retail
22 installment contracts to purchase vehicles with the dealerships, and the dealerships have then
23 assigned or transferred the contracts to one of these two finance companies. Since November
24 2013, one company has funded over 1,500 financing contracts, and the other company has
25 funded over 400 financing contracts for Uber Drivers.

Defendant's Auto Finance Representations

1
2 27. Uber has made a number of claims about the terms and conditions of its Vehicle
3 Solutions Program.

4 28. For example, Uber has disseminated or caused to be disseminated advertisements
5 touting the low cost of using its Vehicle Solutions Program to obtain a vehicle. For example,
6 Uber has stated that consumers could “own a car for as little as \$20/day” (\$140/week); or lease a
7 car with “payments as low as \$17 per day” (\$119/week), and “starting at \$119/week,” with the
8 ability to purchase the vehicle for only \$1 at the end of the lease period. Further, Uber has
9 claimed in marketing materials directed at prospective and current Drivers that it “connects
10 drivers with any kind of credit history to the best financing options available.” Uber has
11 described these “financing options” to include financing contracts as well as a “lease-to-own
12 financing option.”

13 29. Uber also has represented in its marketing material that Drivers opting to lease
14 cars through its Vehicle Solutions Program would have “unlimited miles.”

15 30. Uber has not had any basis for making these claims. Uber has not collected,
16 received, or monitored any Driver-specific data regarding the terms of its Vehicle Solutions
17 Program. Indeed, when Drivers have complained to Uber about the Program, Uber repeatedly
18 has responded with the following or a substantially similar note:

19 Please contact your lender to discuss your payments, accruals, or amounts owed[,] as
20 Uber does not keep track of this information. The lender indicates your weekly payment
21 and we assist the lender in deducting that payment.

22 31. Despite the claims that Drivers can make low weekly payments, the median
23 weekly payment for Uber Drivers who entered into a lease from late 2013 through at least April
24 2015 has been over \$200, while the median weekly payment for Uber Drivers who opted to
25 purchase their vehicles through Uber’s Vehicle Solutions Program during the same time period
26 has been over \$160. Further, information Uber had at the time it made the claims indicate that
27 the claims are false. Uber’s communications with at least one auto company have acknowledged
28 payment terms and conditions that are inconsistent with Uber’s promises to Drivers.

1 32. And Drivers in Uber's Vehicle Solutions Program – which has connected Drivers
2 with subprime auto companies and dealers – have in many instances received worse interest rates
3 than industry averages, contrary to Uber's promise to connect Drivers with any type of credit
4 history to the best financing available. Uber's marketing material to dealers has acknowledged
5 that the lease-to-own option was a "one size fits all" product with an "implied APR of 19.5%,"
6 significantly higher than even the industry average interest rates for consumers with deep
7 subprime credit scores. Additionally, the average rate of the other auto deals for Uber Drivers
8 has been higher than the industry average for consumers with similar credit scores. Numerous
9 Drivers who have purchased cars through Uber's Vehicle Solutions Program have received
10 interest rates on their retail installment contracts that are more than double the industry average
11 rate for consumers with similar credit scores.

12 33. Further, despite Uber's unlimited mileage claims, the leases imposed annual
13 mileage limits of 37,500 and 40,000. Specifically, Drivers' leases have provided that Drivers
14 who elect to end the leases early, due to any reason including discovering that they are not
15 earning amounts promised by Uber or termination by Uber, and who surrender the car rather than
16 purchase it outright, are obligated to pay an excess mileage charge of \$.20 per mile for any
17 mileage over the set limit.

18 VIOLATIONS OF THE FTC ACT

19 34. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or deceptive acts
20 or practices in or affecting commerce." Misrepresentations or deceptive omissions of material
21 fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

22 COUNT I

23 Deceptive Income Claims in Violation of Section 5 of the FTC Act

24 35. In numerous instances in connection with the advertising, marketing, and
25 promotion of its Driver positions, Defendant has represented, expressly or by implication, that
26 consumers in specific cities are likely to earn substantial income, including specific annual and
27 hourly amounts, as set forth in Paragraphs 19 and 21.
28

1 36. In many instances, the representations set forth in Paragraph 35 are false,
2 misleading, or were not substantiated at the time the representations were made.

3 37. Therefore, the making of the representations as set forth in Paragraph 35 of this
4 Complaint constitutes deceptive acts or practices in violation of Section 5(a) of the FTC Act.

5 **COUNT II**

6 **Deceptive Auto Finance Claims in Violation of Section 5 of the FTC Act**

7 38. In numerous instances in connection with the advertising, marketing, and
8 promotion of its Driver positions, Defendant has represented, expressly or by implication, that:

9 a. consumers are likely to own or lease a vehicle for an inexpensive daily or
10 weekly amount such as: "Starting at \$119/week," "For as little as \$20/day," and
11 "For as low as \$17 per day;"

12 b. Defendant connects Drivers with any kind of credit history to the best
13 financing or leasing options available.

14 39. In many instances, the representations set forth in Paragraph 38 are false,
15 misleading, or were not substantiated at the time the representations were made.

16 40. Therefore, the making of the representations as set forth in Paragraph 38 of this
17 Complaint constitutes deceptive acts or practices in violation of Section 5(a) of the FTC Act.

18 **COUNT III**

19 **Deceptive Unlimited Mileage Claims in Violation of Section 5 of the FTC Act**

20 41. In numerous instances in connection with the advertising, marketing, and
21 promotion of its Driver positions, Defendant has represented, expressly or by implication, that
22 consumers would have "Unlimited Mileage" when leasing a vehicle through Defendant's
23 Vehicle Solutions Program.

24 42. In many instances, the representations set forth in Paragraph 41 are false,
25 misleading, or were not substantiated at the time the representations were made.

26 43. Therefore, the making of the representations as set forth in Paragraph 41 of this
27 Complaint constitutes deceptive acts or practices in violation of Section 5(a) of the FTC Act.

1 CONSUMER INJURY

2 44. Consumers have suffered and will continue to suffer substantial injury as a result
3 of Defendant's violations of the FTC Act. In addition, Defendant has been unjustly enriched as a
4 result of its unlawful acts or practices. Absent injunctive relief by this Court, Defendant is likely
5 to continue to injure consumers, reap unjust enrichment, and harm the public interest.

6 THIS COURT'S POWER TO GRANT RELIEF

7 43. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant
8 injunctive and other such relief as the Court may deem appropriate to halt and redress violations
9 of any provision of law enforced by the FTC. The Court, in the exercise of its equitable
10 jurisdiction, may award ancillary relief, including rescission or reformation of contracts,
11 restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and
12 remedy any violation of any provision of law enforced by the FTC.

13 PRAYER FOR RELIEF

14 Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, § 53(b), and the
15 Court's own equitable powers, requests that the Court:

16 A. Enter such preliminary and ancillary relief as may be necessary to avert the
17 likelihood of consumer injury during the pendency of this action and to preserve the possibility
18 of effective final relief, including, but not limited to, a temporary and preliminary injunction, an
19 evidence preservation order, and expedited discovery;

20 B. Enter a permanent injunction to prevent future violations of the FTC Act by
21 Defendant;

22 C. Award such relief as the Court finds necessary to redress injury to consumers
23 resulting from Defendant's violations of the FTC Act, including, but not limited to, rescission
24 and reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-
25 gotten monies;

26 D. Award Plaintiff the costs of bringing this action, as well as such other and
27 additional relief as the Court may determine to be just and proper.

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Dated: 1/19/2017

Respectfully submitted,
David C. Shonka
Acting General Counsel

/s/Katherine Worthman
Katherine Worthman
(Phone: 202-326-2929)
(E-mail: kworthman@ftc.gov)
Ioana Rusu
(Phone: 202-326-2077)
(Email: irusu@ftc.gov)

Attorneys for Plaintiff Federal Trade
Commission

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. A2 Res. No.

in favor in opposition

Date:

(PLEASE PRINT)

Name: Lucius Riccio

Address: 315 E 69th St NY 10021

I represent: Myself

Address: Columbia University

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. Res. No.

in favor in opposition

Date: 9-17-18

(PLEASE PRINT)

Name: Jose Rodriguez

Address: 950 Woodperest Ave #23B

I represent: Livery driver FHV

Address:

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. Res. No.

in favor in opposition

Date:

(PLEASE PRINT)

Name: Mario
 Eligio Hernandez

Address: 2017 Valentine Ave # 7C

I represent: Livery Driver FHV

Address:

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

9/17/18

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: MARIO MARTE

Address: 620 E 137th # 5A

I represent: Livery Driver & FHV

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

9/17/18

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Bridget Felix

Address: 3881 Sedwick Ave #

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Basilio Beltre

Address: 3070 Bainbridge Ave # 35

I represent: _____

Address: _____

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

[]

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: GOLAM TALUKDER

Address: 1790 MERRILL ST BRONX NY 10460

I represent: MYSELF

Address: _____

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

[]

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: 9-17-2018

(PLEASE PRINT)

Name: Lamont P Sanders

Address: 660 Empire Blvd

I represent: IDG For Hire Vehicle

Address: 456 Johnson Av Bklyn

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

[]

I intend to appear and speak on Int. No. all Res. No. _____
 in favor in opposition

Date: 9-17-18

(PLEASE PRINT)

Name: JAMES PARROTT

Address: 72 5th Ave. A527

I represent: Center for NYC Affairs

Address: same

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: OSMAN CHOWDHURY

Address: 43-12-75ST APT 4G LICNY 11104

I represent: UNITED TAXI DRIVERS ASSOC

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1052 1070 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: MOUSSA DIOP

Address: 9103 Bergen St Brooklyn NY 11233

I represent: ITE

Address: 458 Johnson Av Brooklyn

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1070, 1052 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Kimberly Weisat

Address: _____

I represent: Veterans we are asking to CH to

Address: Remember the Sacrifice we made for
Great Amazing Country now we need

Please complete this card and return to the Sergeant-at-Arms

help with Medicare

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: ABRAHAM LOBE

Address: _____

I represent: NY TAXI WORKER ALLIANCE

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: BHAIRAVI DESAI

Address: _____

I represent: NY TAXI WORKERS ALLIANCE

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: ZUBIN SOLEIMANU

Address: _____

I represent: NY TAXI WORKER ALLIANCE

Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: MOHAMMAD TIPU SULTAN

Address: _____

I represent: NY TAXI WORKER ALLIANCE

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: MD S ISLAM

Address: _____

I represent: NY TAXI WORKER ALLIANCE

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: BAHI ANATOLE

Address: _____

I represent: NY TAXI WORKER ALLIANCE

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Jeffrey Rose

Address: _____

I represent: The Limo Association of New York / LAMY

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: SALIFOU HALIROU

Address: _____

I represent: NY TAXI WORKER ALLIANCE

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1079 Res. No. _____

in favor in opposition

Date: 9-17-18

(PLEASE PRINT)

Name: Ruth Lowenkron

Address: 151 W. 30th St, 11th Fl NYC 10001

I represent: Disability Justice Program at NY Lawyers for the Public Interest

Address: 151 W. 30th St, 11th Fl NYC 10001

Please complete this card and return to the Sergeant-at-Arms

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

1069

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

in favor in opposition

Date: 09-17-2018

(PLEASE PRINT)

Name: Vito Lanza

Address: 32-40 44th St Astoria NY 11034

I represent: Individual medallion owners

Address: _____

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 1052 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: PETER M. MAZER

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

I represent: METROPOLITAN TAXICAB BD. OF TRADE

Address: Same

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 1052 Res. No. _____

in favor in opposition

Date: 9/17/18

(PLEASE PRINT)

Name: Mike Keogh

Address: _____

I represent: The Committee for Taxi Safety

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: 09-17-18

(PLEASE PRINT)

Name: NICOLAE HENT

Address: 60-08 79th St 11379

I represent: Individual medication

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: LAMINE BAH

Address: _____

I represent: NY TAXI WORKER ALLIANCE

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: 9/17/2018

(PLEASE PRINT)

Name: Jing Sheng Lin (Sucky)

Address: _____

I represent: IDG

Address: 456 Johnson Ave. 420 Brooklyn NY

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1052, 1070 Res. No. _____

in favor in opposition

Date: 9/17/2018

(PLEASE PRINT)

Name: Henry Chen

Address: 3111 Linden pl. 1B, Flushing NY 11237

I represent: IDG

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1070, 1052 Res. No. _____

in favor in opposition

Date: 9/17/18

(PLEASE PRINT)

Name: Rashad M. Briggs Harris JR

Address: 87 52 129 Street Richmond Hill NY 11419

I represent: IDG

Address: 456 J. Johnson Ave. Queens NY 11237

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1037, 1070 Res. No. _____

in favor in opposition

Date: 09/17/2018

(PLEASE PRINT)

Name: Guillermo Fondeur

Address: 1400 East New York Ave 13E

I represent: WAE PONDANT DRIVING Guild

Address: 456 J. Johnson Ave

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1070, 1052 Res. No. _____

in favor in opposition

Date: 9/17/18

(PLEASE PRINT)

Name: Michele DOTTINI

Address: 246 Mac Douglas, Brooklyn NY

I represent: IDG

Address: 456 Johnson Ave, Brooklyn NY

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1052, 1070 Res. No. _____

in favor in opposition

Date: 9/17/2018

(PLEASE PRINT)

Name: Tim Rucineau

Address: 322 Roger Ave

I represent: IDG

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1070, 1052 Res. No. _____

in favor in opposition

Date: 9/17/18

(PLEASE PRINT)

Name: Aziz BAH

Address: 9705 HH Expy, Corona NY

I represent: IDG

Address: 458 Johnson Ave Brooklyn

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 1052, 1070 Res. No. 1079

in favor in opposition

Date: 9-17-18

(PLEASE PRINT)

Name: JAMES CONIGLIARO, JR

Address: _____

I represent: Founder & President of IDG

Address: 456 Johnson Ave, Brooklyn, NY 11237

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

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

in favor in opposition

Date: 1059
9/17/18

(PLEASE PRINT)

Name: TAMARA VISHNYAKOVA

Address: 2727 Ocean Pkwy F22

I represent: Br. NY Taxi Owners

Address: _____

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 1070, 1052 Res. No. _____

in favor in opposition

Date: 9/17/18

Name: Hector Gorman (122)

Address: _____

I represent: Grémio Cabistas de New York

Address: Union de T

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1052 Res. No. _____

in favor in opposition

Date: 9/17/18

(PLEASE PRINT)

Name: JOHN POLLEMBIA

Address: 1 METROTECH CENTER BRKLYN NY

I represent: AMERICAN TRANSIT INS CO.

Address: 1 METROTECH CENTER

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: 9/17/18

(PLEASE PRINT)

Name: Nina Gofashi

Address: 19 JEROME RD S I NY

I represent: TAXI MEDALLION OWNER

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: Sept 17, 2018

(PLEASE PRINT)

Name: BARRY NAPACH

Address: _____

I represent: TAXI-MEDALLION OWNER (Retired)

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: 9/17/18

(PLEASE PRINT)

Name: CARDLYN PROTZ

Address: _____

I represent: TAXI MEDALLION OWNER

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: ANICE ARON

Address: 351 W. 24th St.

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1052 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Richard Lipsky

Address: 170 Riverside Ave

I represent: NYETA

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: 9/17/2018

(PLEASE PRINT)

Name: Commissioner Meera Joshi

Address: 33 Beaver Street

I represent: TLC

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1053 Res. No. _____

in favor in opposition

Date: 9/17/18

(PLEASE PRINT)

Name: Jose Altamirano

Address: Livery Base Owners - 220 E 116 St NY NY

I represent: Livery Base Owners #

Address: 220 E 116 St NY NY

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1052 Res. No. _____

in favor in opposition

Date: Sept. 17, 2018

(PLEASE PRINT)

Name: Jeffrey Rose

Address: _____

I represent: The Limo Association of New York/LANY

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Dr. Myla Harrison

Address: Assistant Commissioner, Mental Health

I represent: DOHMH

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1050 Res. No. _____

in favor in opposition

Date: 9/17/18

(PLEASE PRINT)

Name: Andra Rose Greenblatt

Address: 3551 South St East Ave, 12th Floor, NYC Hall

I represent: INDEED BENEFIT DRINKERS ASSOC

Address: 220 East 23rd St, Ste. 605, NYC 10010

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: 9/17/18

(PLEASE PRINT)

Name: Casey Adams, Dir. City Legislative Affairs

Address: 42 Broadway

I represent: NYC Consumer Affairs

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: 9/17/18

(PLEASE PRINT)

Name: Elena Tatis, Senior Program officer

Address: 42 Broadway

I represent: NYC consumer Affairs

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1070 Res. No. _____

in favor in opposition

Date: 9/17/18

(PLEASE PRINT)

Name: Eric Rothman

Address: _____

I represent: Driver Service Opportunity Association

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1079 Res. No. _____

in favor in opposition

Date: 9/17/18

(PLEASE PRINT)

Name: Kristen Johnson

Address: _____

I represent: NAACP LDF

Address: 40 Rector St

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1052/1070 Res. No. _____
 in favor in opposition

Date: 9/17/18

(PLEASE PRINT)

Name: ARON JONES

Address: 101 AVENUE D, #113

I represent: SEU 32 BT

Address: 25 WEST 18th STREET

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1070/1096 Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Nicole Epstein

Address: 1399 Franklin Ave, Garden City 11532

I represent: NYeta - New Yorkers for Equal

Address: TRANSPORTATION ACCESS

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: 9/17/18

(PLEASE PRINT)

Name: MOHAMMED MAHBUB

Address: 86-34 164th 1st FL JAMAICA

I represent: Driven Mad Women

Address: _____