

Testimony of Aloysee Heredia Jarmoszuk
Commissioner and Chair, New York City Taxi and Limousine Commission
Before the City Council Committee on Transportation
OVERSIGHT: TLC's Medallion Relief Program and Supporting the Black Car & Livery Sectors

October 8, 2021

Good morning, Chair Rodriguez and members of the Transportation Committee. I am Aloysee Heredia Jarmoszuk, Commissioner and Chair of the New York City Taxi & Limousine Commission. Thank you for inviting me to speak with you about TLC's progress implementing the Medallion Relief Program (MRP), as well as our efforts to support the Black Car and Livery sectors.

State of the Taxi Industry

First, I would like to discuss the current state of our Taxi Industry, which has continued to gain strength as the City recovers from the COVID-19 pandemic. As you know, businesses and tourists are returning to New York City, and passenger demand for Taxi service is steadily increasing. For the week of September 26th, Taxis made 739,964 trips - a more than 1,300% increase from the week of April 5, 2020. During the same period of time in 2019 pre-pandemic, Taxis made around double number of trips, showing that there is still room for significant growth. In fact, there is more demand for TLC-licensed transportation than the current Taxi supply is meeting. Of the 13,587 licensed Yellow Taxis, approximately 6,600 are in storage, meaning they are not being operated on the streets. Of the Medallions held by Owner Drivers, the vast majority are on the road and providing passenger service. TLC is working with Owners to get Taxis out of storage and back on the road picking up passengers to meet the growing demand for service.

Importantly, the amount of money earned by Taxis consistently operating on the road has significantly increased and is approaching pre-pandemic levels. Last month, the average farebox earnings

for an active Yellow Taxi was \$7,080 per month, plus \$1,133 in tips. A year ago, it was less than half that. Taxis making over 25 trips a day are now bringing in an average of \$10,019 a month, plus \$1,710 in tips. Those are robust farebox earnings and indicate substantial recovery in the Yellow Taxi sector.

In addition to the growth in demand driven by the recovery, the pause on new For-Hire Vehicle licenses is also working to strengthen the Taxi Industry market share. Before the change in local law that empowered TLC to stop new For-Hire Vehicles from flooding our streets, more than 2,000 new cars went on the road every month, creating a race to the bottom for TLC-Licensed Drivers and worsening traffic congestion. Since the cap was successfully implemented, TLC has seen the attrition of approximately 25,000 For-Hire Vehicles. We anticipate additional attrition over time, which we believe will help achieve a more equitable balance across all segments of the Industry, including traditional livery and black car bases.

Medallion Debt

While the Taxi sector is rebounding in tandem with our City's recovery, too many Taxi Medallion Owners have experienced financial distress. We are all aware that the industry has faced tragedy, technological change, disruption, and uncertainty over the past several years. The path of this reality was paved by those who did not act when market forces and bad actors took advantage of Owner-Drivers, and it pains me to see how ill-served they have been by a system that treated the medallion as a speculative asset. Today, a number of Taxi Owner-Drivers face unsustainable monthly loan payments. Solving this debt crisis is the single most important issue that we must resolve. Doing so will unlock our ability to take aggressive action to increase economic opportunity and quality of life for Medallion Owners.

TLC is working to determine the exact number of Medallion Owners who have debt, as well as to assess how much of this debt is unsustainable for each individual Owner. As you know, Local Law 111 of

2020 established the Office of Financial Stability to monitor and evaluate the financial stability of the medallion industry. Over the summer the TLC released a survey to Medallion Owners in an effort to meet the requirement that any person who has an interest in a medallion submit an annual financial disclosure. While these surveys are voluntary, they have given TLC the opportunity to gather personal data that is not publicly available.

As we continue to receive survey results, TLC can rely on financial information received from those participating in the MRP for data on the scope of Medallion debt. Since April of 2021, approximately 1,000 Medallion Owners have applied for the MRP. The 57 Medallion Owners who were approved to receive grant money as of October 4th had a median original debt of \$452,000, with monthly payments of \$2,500. Through the MRP, they were able to achieve a median average debt forgiveness of \$178,000, supported by monthly payments of \$1,600. These figures change daily as more loans are restructured. Through the distribution of MRP funds, TLC will have a data-driven assessment of the true extent of Medallion debt for individual Owners in New York City. Alleviating this debt is crucial to improving the health and longevity of the iconic New York City Yellow Taxi industry.

Medallion Relief Program Overview

The TLC's Owner/Driver Resource Center opened remotely during the pandemic in Spring of 2020. Among other resources, the Center is a space where Owners and Drivers can access free financial counseling and legal services related to medallion debt. This includes help with reviewing loan terms, renegotiating financing agreements, challenging debt collections or judgements, and filing for bankruptcy, if appropriate. Lawyers from the New York Legal Assistance Group provide these free legal services at the Center.

Over a seven-month period after the Center opened, TLC learned that Medallion Owners working with the Center and with means for a down payment for refinancing were able to achieve improved loan

terms and better financial stability. TLC also learned that a number of Medallion Owners were unable to afford the down payment needed to refinance. During this time, TLC also engaged in numerous discussions about how to address the debt issue with industry stakeholders, including Medallion Owners, Drivers, advocates, attorneys, and financial experts.

Ultimately, the City secured \$65 million and Mayor de Blasio and the TLC announced the MRP on March 9, 2021. In the ensuing months, TLC published proposed rules outlining eligibility criteria for the MRP and held a public hearing and voted on the rules for the Program. Additionally, TLC embarked on a procurement process and signed a contract with Pursuit, a financial institution with rich experience with COVID-19 relief programs and lending to small businesses, in September to distribute grants under the Program.

The MRP is designed to give individual Medallion Owners who have 5 or fewer medallions a critical tool to restructure loans, reduce principal on those loans, and lower monthly payments. As previously noted, over 1,000 people have applied to participate in the MRP and are in various stages of debt restructuring. The Owner/Driver Resource Center is working with these Owners and approximately a dozen lenders to significantly reduce debt and loan payments.

The program provides a \$20,000 grant to all participants, to be used as a down payment to help restructure medallion-related loans. In effect, we are re-creating what we saw work for Owners when the Owner/Driver Resource Center was established. This \$20,000 can mean hundreds of thousands of dollars off loan principal. Through the multiplier effect of the grant payments, a \$65 million program can achieve as much as \$500 million in debt forgiveness. Some Medallion Owners will reach settlements, owing nothing, while others will attain over \$100,000 in debt forgiveness.

Furthermore, we are aware that the industry has not recovered to pre-pandemic levels, and Owners may still need assistance keeping up even with substantially reduced payments. To help, the City is providing participating Medallion Owners with an additional \$9,000 to cover loan payments. This

means that if a restructured loan has a monthly payment of \$1,600, a Medallion Owner's contribution, combined with the City's debt service assistance, will be approximately \$850 a month for the first year.

TLC's Medallion Relief Program offers an Owner/Driver-First model that is tailored to individual financial situations. It focuses on Owner/Drivers – not big fleets. And it takes into account the personal circumstances of each Medallion Owner through a client-centered and holistic approach. Unfortunately, a one-size-fits-all approach, even ones that sound good in theory, cannot adequately account for the different circumstances of Medallion Owners.

Additionally, the MRP allows the medallion to be valued based on the income it generates for Owners. Price fixing the Medallion value at an artificially low price, as has been suggested, treats the medallion as a speculative asset and deeply threatens its long-term value. We owe it to the hard-working Owner-Divers who have invested in their medallion to restore this asset, rather than fix a set price, which could distort the market far into the future.

Furthermore, proposals that call for a “backstop” for all Medallion Owner debt for 30 years would mean New York City taxpayers are assuming all risk for all Borrowers and Lenders. This is true regardless of whether the Borrower is an individual Owner-Driver or a large fleet owned by a multi-million dollar corporation, or if the Lender is a large financial institution capable of covering its own losses or was one of the predatory lenders that exploited Medallion Owners in the first place. This is unworkable.

What is working is the MRP. As of Monday, October 4th, 57 Medallion Owners are approved for grants and will receive \$10.4 million in debt forgiveness. Furthermore, over 1,000 Medallion Owners and a dozen lenders are in various stages of working with the TLC Owner/Driver Resource Center to restructure loans and lower monthly payments. If the need is there, we anticipate being able to help over 2,200 Medallion Owners, and we hope to allocate all \$65 million in funding as soon as possible.

The Yellow Taxi is one of the most iconic symbols of New York City and a healthy Taxi Industry is critical to the City's recovery. We are heartened to see the industry showing a lot of strength, with trip volumes and farebox earnings rising substantially during the recovering from the COVID-19 pandemic. Beyond our work on the MRP, TLC has met with Owners, Drivers, and other Industry stakeholders to develop a Yellow Taxi Strategic Plan, outlining recommendations for innovation and growth for the sector going forward. And of course, the MRP is up and running now, and it is delivering the relief that hard-working Taxi Medallion Owners urgently need to achieve the financial health and stability they deserve. We owe it to them to ensure the medallions continue to be an important asset and an irreplaceable part of New York City's transportation network. The MRP does just that.

Overview of Black Car and Livery Sector Support

In addition to TLC's work with the Yellow Taxis, we are also focused on supporting the Traditional Black Car and Livery sectors. A great conduit for us to identify best practices, new policies, and recommendations is through the Black Car and Livery Task Force, which you are a Member of, Chair Rodriguez. The Task Force began meeting in June after the last Member was appointed. As of today, the Task Force has two more scheduled meetings to discuss the recommendations that will be put forth in a public report. We hope to publish this report before the end of the year and look forward to continued collaboration with this Committee regarding implementation.

While those recommendations remain in development, we can share some preliminary themes that have come up during our meetings with the Task Force. These include issues related pre-arrangement and payment; educating licensees and car service bases; enhancing regulation for leasing companies; coordinating across sectors on insurance and workers compensation; the feasibility of internal and external advertising; increased use of wheelchair-accessible and battery-electric vehicles; and parity among the sectors, including with respect to inspections and vehicle retirement. The Task Force has also discussed unmet demand in the traditional black car and livery sectors, and the potential for new FHV

licenses to meet that need. We are reviewing this recommendation carefully, since we must ensure that the City does not lose the crucial gains we have made in reduced congestion, increased driver pay, and a more balanced number of vehicles across the sectors TLC regulates.

Beyond our work with the Task Force, TLC is conducting a Regulatory Review – a top-to-bottom review of all agency rules and regulations. We have received input from our Licensees to identify ways to modernize, strengthen, streamline, and otherwise improve and update our rules and policies. TLC will also hold a public hearing this fall to gather additional input for our review. As always, we welcome ideas from the City Council on how we can improve operations and best support our Licensees.

Thank you again for the opportunity to speak at today's hearing. I'm happy to take questions.



PUBLIC ADVOCATE FOR THE CITY OF NEW YORK
Jumaane D. Williams

**TESTIMONY OF PUBLIC ADVOCATE JUMAANE D. WILLIAMS
TO THE CITY COUNCIL COMMITTEE ON TRANSPORTATION**

OCTOBER 8, 2021

My name is Jumaane D. Williams and I am the Public Advocate for the City of New York. Thank you Chair Ydanis Rodríguez for holding this important hearing.

New York City is directly responsible for the taxi medallion debt crisis. As an investigation from Attorney General James' Office has shown, the City artificially inflated the price of medallions through manipulative auction practices and an intentional misinformation campaign. Drivers purchased medallions for extremely overvalued rates by taking out high-interest loans from predatory lenders. When the medallion prices inevitably crashed, they were unable to pay back these loans, resulting in crushing debt. Today, the average medallion owner owes \$500,000 in loans. This has created immense hardship for drivers and their families and has undoubtedly contributed to the tragic spike in suicides in the driver community.

Thus far, this City has failed to meet its obligations to help these workers they harmed. The \$65 Million fund announced by the Mayor in March of this year is a step in the right direction, but a significantly more comprehensive recovery plan is needed. As drivers passionately testified at the Taxi and Limousine Commission (TLC) hearing on September 27, 2021, this fund simply does not meet the scope of the crisis. I strongly encourage the TLC and the mayoral administration to listen to the drivers and consider additional mechanisms that would lower driver debt, including the plan proposed by New York Taxi Workers Alliance.

Additionally, the City should take action to help taxis increase their competitiveness in the market, which has been hindered by the emergence of third-party ride hailing companies. Important reforms include:

- Negotiating with the third-party ride hail companies to have yellow cabs appear on their apps in exchange for a percentage of ride revenue.



PUBLIC ADVOCATE FOR THE CITY OF NEW YORK

Jumaane D. Williams

- Allowing taxi drivers to remove plexiglass partitions from their vehicles, if they so choose. Many drivers have reported this would make riders feel more comfortable and would result in more riders opting for yellow cabs.
- Building off of the GetFoodNYC model by incorporating yellow cabs into more City services, such as medicine delivery and Access-a-Ride.
- Creating financial incentives for drivers to operate Wheelchair Accessible Vehicles, which would increase transportation options for New Yorkers with disabilities.

Thank you for your time and consideration.

Testimony of The Black Car Fund

The New York City Council - Committee on Transportation

Friday, October 8th, 2021

Good afternoon Chair Rodriguez and Members of the City Council's Committee on Transportation. My name is Lionel Morales and I am the Communications & External Affairs Specialist of The New York Black Car Operators' Injury Compensation Fund, better known as The Black Car Fund. I thank you for the opportunity to testify on behalf of the black car industry and would like to state that I, and our Executive Director Ira Goldstein, are available for further questions at a mutually convenient time in the future.

Chair Rodriguez is certainly very familiar with The Black Car Fund, but for those who aren't: The Black Car Fund was created by New York State Statute in 1999, and signed into law by Governor George Pataki, with the purpose of providing workers' compensation coverage to black car drivers in the state of New York. The statute covers all black car and high volume for-hire vehicle drivers who are dispatched by one of our member bases. As mandated under State law, a base must become a member of The Black Car Fund if it meets the requirements outlined in the statute as following: ninety percent or more of its for-hire business is on a non-cash payment basis and that the base owns less than fifty percent of the cars it dispatches. We derive our income from a 3% passenger surcharge which is assessed on top of the total fare, billed and collected by member bases, and then remitted to The Fund on a monthly basis.

Over the years, the Fund has grown to over 500 member bases and we cover an estimated 100,000 drivers throughout New York. Since its inception, The Fund has become fully self-insured and self-administered while maintaining financially stable reserves. We're also proud to have added many additional free health and wellness related benefits for drivers and even pay them to take certain classes such as an enhanced defensive driving course, and a wellness class. Our additional benefits include 24/7 telemedicine coverage, vision coverage, dental insurance, prescription, urgent care and diagnostic imaging discounts, a mental health and wellness program that's administered by the Independent Drivers Guild (IDG) and an additional \$50,000 death benefit above what is mandated by State law if a driver dies while on the job. In addition, our mobile vision van, which can perform eye exams and provide eyeglasses on the spot, is

currently stationed at LaGuardia Airport on weekdays for the rest of the month, and will eventually alternate with JFK airport. Our member bases can even request for the van to be stationed at their base on a certain day for their drivers to access this benefit.

We have created an invaluable safety net for drivers but unfortunately, all the benefits in the world can't change the fact that the traditional black car industry has been decimated by the COVID-19 pandemic. For example, take a look at the congestion surcharge revenue brought to the city by the FHV industry. Compared to 2019 and early 2020, the surcharge amount being generated by the FHV industry is down at least 25%. This figure, while staggering, still doesn't tell the full story. At the height of the pandemic, traditional black car bases were down as much as 95% in business, while the high volume FHVs were down over 80%. Since then, the two main high volume for-hire vehicle operators, Uber & Lyft, have begun to recover but traditional black car bases have not recovered nearly as well, and are still down between 40-45% compared to pre-pandemic levels. There is no doubt that many traditional black car bases will never recover and jobs will be lost.

Throughout the pandemic, black car drivers were at the front lines, transporting essential workers to their essential jobs. However, when the City was first responding to the pandemic, black car operators were not eligible for many assistance programs that were made available to small businesses. We worked hard to share critical safety information and distribute well over 20,000 PPE kits to drivers, with masks, gloves and hand sanitizer, in partnership with the IDG, at a cost of over \$175,000. Looking forward, mandating vaccinations for drivers and passengers, is likely the best strategy to further protect the health of this critical segment of our economy.

Again, I would like to thank Chair Rodriguez for his support of our work in the past, and thank all the members of this committee once again for this opportunity to testify and answer any questions you may have.

Dear Members of the New York City Transportation Committee:

My name is Jose Altamirano, President of the Livery Base Owners and El Barrios Car Service located in East Harlem. The Livery Base Owners represent over 250 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. On behalf of those base owners and the customers that we serve, we respectfully submit the following comments on the state of emergency that our livery sector is currently in.

In 2014, the livery sector of the for hire vehicle industry enjoyed a little under 30,000 affiliated vehicles. Our passenger profile are residents of the outer boroughs who may or may not speak English as a first language. Our bases are equipped to serve these passengers because most of our members are immigrants as well, and we come from the same communities as our passengers. However, 2014 saw the entrance of what we now know as high-volume for hire vehicle services. Those large corporate entities gobbled up market share and provided financial incentives to our affiliated drivers. Those high volume FHV services operated at a loss because their goal at the time was to eliminate all of the competition here in the City. While our sector grew organically over the years they created an uncontrolled growth. As a result, after 7 years, the number of affiliated vehicles in our livery sector has dropped to below 8,000 vehicles. TLC in the past failed to provide legislation that could level the playing field instead the City Council instituted blanket approach legislation over the entire industry.

Our communities – poor and working class immigrants and people of color – are the ones suffering from crumbling MTA infrastructure, service disruptions, irregular and inconvenient bus lines and recently suffering from our lack of vehicles. Our communities are the ones who suffer when small bases are unable to provide a ride from lack of cars and forced to deal with surge pricing elsewhere. Our livery sector of the industry has been pleading for years since the cap was placed to be given the ability to add vehicles, seeing as we have dropped about 70% in vehicles. The 2018 cap was put in place to control the exponential growth of tech companies, unfortunately our livery sector was also dragged along for the ride. Our struggling bases are constantly having to tell our customers that we do not have a vehicle available for them during peak moments. Up to 50% of our calls are going negative due to lack of vehicles, if any sector should be allowed to add vehicles it should be ours. We have asked in the past of this Commission to allow us to have restricted vehicle permits that would only stay in the Livery sector. This would allow us to add vehicles, still give the driver the freedom to work in any livery base of their choosing and not have their vehicles enter the high volume bases.

Our small bases are in crisis, we are however, optimistic under the leadership and oversight of Commissioner Aloysee. Her approach of seeing the sectors as separate entities as it should be has been very refreshing. Also the program she installed for drivers has been a life saver for many of them. We also thank Chair Ydannis Rodriguez for creating the livery taskforce, with Commissioner Aloysee as chair in order to analyze our sector, its needs and get the most support to revitalize our industry. We look to the City and TLC to provide leadership on this state of emergency where we cannot respond to the demand for transportation in our communities. We need the City to help us remain viable and to continue to sustain our families, and our drivers. We do not want to be forgotten, this is a plea for help.

Thank you,
LBO

Members of the Committee:

Thank you very much for the opportunity to be heard today.

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

The proof that the TLC and The City Council tend to lump us in with Liveries, Black Car services, and High Volume services such as Uber, Lyft and Via, is demonstrated in your own notice of this hearing, stating its purpose as "Oversight: TLC's Medallion Relief Program and Supporting the Black Car and Livery Sectors." There is no reference to the Luxury Limousine segment. And yet, there is a crucial difference in our operating paradigm. I intend absolutely NO disrespect when I point out this common misunderstanding, but it highlights important policy considerations that may be missed..

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 employees with all the attendant protections and benefits. The employer covers all of the aforementioned costs associated with company owned vehicles. Our employees are not burdened with crippling expenses and debt just to try and make a living.

We urge you to lift the ban on new vehicle licenses for bases that place over 2/3 of their jobs in cars driven by true employees as classified under applicable law.

Luxury Limo base employers must comply with the Affordable Care Act, paying significant premiums to provide health insurance to their employees and 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 ACA, paid sick leave and to provide Workers Comp and Unemployment insurance. Many offer health coverage and 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 speak English as their first language nor have a diploma of any kind. At my company, full time drivers average around \$25 to \$35/hour. In 2019, three of my chauffeurs made over \$100,000 with no vehicle expenses.

Additionally the Luxury Limousine segment constitutes less than 5% of the vehicles in the TLC regulated FHV industry. Rides are generally booked well in advance, and we do not offer on demand service. Our vehicles are not cruising for work and generally remain stationary unless on a job or going to and from the base. Therefore, we make no significant contribution to traffic congestion. The moratorium on new vehicle licenses is a crushing burden. It forces bases that bear the vehicle costs to keep excess capacity through slow seasons and economic downturns just to maintain the licenses, enriching only the insurance companies. It is a barrier to entry, diminishing 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.

In closing, lifting the ban on new vehicle licenses for FHV bases which operate under the employee/employer mode would not only help the industry's recovery from the adverse economic impact of the ongoing pandemic, but also encourage the creation of good paying jobs with proper benefits for drivers in need of better work opportunities.

Taxi Driver Testimony

Dear New York City Council:

I'm writing about the horrendous situation of taxi drivers in NYC. I'm a lifelong New Yorker and still live in lower Manhattan. The city has made huge profits out of medallions, taxi drivers have gone into serious debt to purchase them. They regulated taxis in an expensive and often unfair way. The same politicians opened the door up to uber, Lyft, etc, not regulating them at all, and putting them into direct competition with taxi drivers who had to purchase medallions. The logic of this fails me, unless politicians were lining their pockets or their campaign coffers with bribes.

The situation we now have is that taxi drivers are starving. Drivers who work for Uber/etc are also financially struggling. And it costs New Yorkers more money to get anywhere, because of course, once the competition goes away these tech companies raise their prices. Terrible for New Yorkers working in the industry, terrible for New Yorkers using these services and catastrophic for taxi drivers.

The minimum that should be done for taxi drivers is to cancel their debt. All drivers should be making a decent living. And the ride app industry must be regulated. This situation makes me embarrassed to be a New Yorker.

Thank you,

Shelly Silver

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METROPOLITAN TAXICAB BOARD OF TRADE

City Council Transportation Committee Hearing

Oversight- TLC's Medallion Relief Program

October 8, 2021

Good morning Chairperson Rodriguez and members of the Committee. My name is Peter Mazer, and I am General Counsel to the Metropolitan Taxicab Board of Trade (MTBOT), an association dedicated to serving medallion taxicab owners and operators for nearly seventy years. We provide legal and other assistance to medallion taxicab drivers through our full service center and represented more than 10,000 drivers at administrative hearings and in court proceedings. We also provide services to medallion owners, including fleets, minifleets and individual owners. These services include assisting owners with respect to their medallion loans.

Medallion values have plummeted since 2014, with medallions losing more than eighty percent of their value in seven (7) years. A medallion is worth today about as much as it was worth in the mid-1980's. Individuals and small businesses who invested in this city-issued license have seen their entire life savings eradicated, and medallion owners often carry debt far

in excess of the present value of the license. Worse still, many of these medallion loans have been secured by personal guarantees, meaning everything the owner has is at risk.

We appreciate the help the city has offered and there will be some medallion owners who will benefit from restructuring through the TLC's Medallion Relief Program (MRP). But many owners will not benefit from this program, or will find the relief offered is not enough. For example, participation is limited to owners who have interests in no more than five (5) medallions. Someone who owns five (5) medallions could qualify for a \$100,000 grant to be used to help renegotiate a loan, but if a sixth medallion is owned by this individual, no help is available under the MRP. Many lenders are not willing to participate, believing that even after renegotiation the borrower is still likely to default. Some borrowers may be required to stretch out payments for 30 or 40 years to make the loan restructuring work. Many medallion owners are older, and this restructuring would create a lifetime of indebtedness. And unfavorable terms, such as personal guarantees, are still contained in many restructured loans. Additionally, this plan offers nothing to medallion owners who have little or no debt, but are unable to get financing to purchase cars or make other capital improvements.

For true debt relief to work, it is necessary for all lenders to have an incentive to renegotiate loans at favorable terms. A backstop, in the form of a guarantee by a government entity, may be the best way to encourage lenders to reduce loan balances. Legislation has been introduced at various levels of government which would provide loan guarantees to lenders, reduce loan balances to manageable amounts, make these benefits available to all owners, and expand their availability to finance vehicle purchases or other medallion taxi related needs. This kind of comprehensive approach offers the best solution to the medallion debt crisis and provides a pathway to stabilize the industry for all stakeholders to benefit. A plan should encourage investment in the medallion industry, not stifle its opportunity for future growth.

All medallion owners, whether small or large, have been devastated by the economic impact of COVID pandemic. We cannot fix the crisis facing them, by helping one segment of the

industry, and leaving other segments in peril. The medallion crisis did not happen overnight, and the solution will require a collaborative effort of all stakeholders, and a thorough analysis of what we expect the future of the medallion industry to look like. This requires hard choices, open dialogue, and a willingness to compromise. The Council should play a pivotal role in these efforts.

Thank you for giving me the opportunity to speak today. I would be happy to answer any questions you may have.



NEW YORK CITY COUNCIL
Committee on Transportation

Ydanis A. Rodriguez, Chair
Oversight Hearing -- October 8, 2021

TLC Medallion Relief Program and Supporting the
Black Car and Livery Sectors

Testimony of
Michael Kink, Esq. Executive Director

Thank you for the opportunity to offer written testimony to the committee in support of the medallion debt forgiveness plan proposed by the New York Taxi Workers Alliance and in support of their 21,000-member strong union of yellow cab, green car, black car, livery and app-dispatched drivers.

Our testimony will be straightforward and direct -- there's billions of dollars in federal funding available to pay for the NYTWA plan to help drivers, their families and their communities.

We urge the Council to work with the Mayor, the State Legislature and the Governor to utilize billions of dollars in federal funding available to the city and the state from the [Coronavirus State and Local Fiscal Recovery Funds](#) included in the [American Rescue Plan Act of 2021](#) to pay for this essential relief.

SLFRF: ONE WAY TO PAY FOR THE NYTWA MEDALLION DEBT RELIEF PLAN

As you know, New York's state, city, county and other local governments received [\\$23.8 billion in direct funding](#) from the American Rescue Plan through Coronavirus State and Local Fiscal Recovery Funds (SLFRF).

The SLFRF program provided

- [\\$5.88 billion in direct funding](#) to New York City and
- [\\$12.75 billion in direct funding](#) to New York State

to be spent between March 3, 2021 and December 31, 2026 in conformance with eligibility and compliance requirements provided by the U.S. Treasury.

The first tranche of SLFRF funding went out this spring, and was incorporated in this year's [state](#) and [city](#) budgets -- but there is a full second tranche available early next year **in the same amount**.

That's more than enough money to fund full medallion debt relief, and debt relief is exactly the type of expenditure that the Treasury Department has encouraged state and local governments to carry out with SLFRF dollars.

MEDALLION DEBT RELIEF COMPLIES WITH KEY SLFRF REQUIREMENTS AND PRIORITIES

All this federal money can't be spent on just anything -- it can't be spent on tax cuts, and it can't be spent on subsidies to profitable businesses or those New Yorkers whose income and wealth has grown during the pandemic.

The United States Treasury Department has issued (a) [formal guidance](#) (b) [an interim final rule](#) (IFR) and (c) [FAQs](#) on the SL FRF program.

Taken together, these guidelines demonstrate clearly that funds can and should be used to ameliorate the economic impact of pandemic-related downturns in revenue and/or sales and resultant unmanageable debt loads -- particularly for low-income Black, brown, immigrant and workers and businesses who had previously been under extreme economic pressure because of racial, social and economic inequities that were made worse during the COVID-19 public health emergency.

Debt relief for thousands of drivers and families whose income and wealth have been decimated first by the economic and racial injustices of the financial system and predatory medallion debt and then by pandemic-related drops in business is an appropriate use of SL FRF funds -- it's exactly the type of investment New York needs and the federal government intended.

The [Treasury IFR](#) states that SLFRF funds may be used to

...address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector...

and further states that

In considering whether a program or service would be eligible under this category, the recipient should assess whether, and the extent to which, there has been an economic harm, such as loss of earnings or revenue, that resulted from the COVID-19 public health emergency and whether, and the extent to which, the use would respond or address this harm.

Today's testimony will certainly outline the impact of the COVID-19 public health emergency on drivers and their businesses.

The impact of the emergency in terms of reduced bookings, less cabs on the street and resultant financial losses has been documented in TLC data compiled by the NYTWA in [submissions to the TLC](#), by [CNN](#) and by [NY1 News in a multi-part series](#).

This pandemic-related reduction in business comes on top of a decade of predatory and destructive economic attacks on drivers and their families by financial and tech industry corporations characteristic of the very worst aspects of racial capitalism in America and here in New York.

Drivers and their families are also overrepresented in the New York City neighborhoods hardest hit by infections, illness and death during the pandemic, with significant suffering and death among drivers documented by the NYTWA and [City Limits magazine](#).

And it's exactly this combination of historical economic, social and racial injustice amplified by the COVID-19 public health emergency that SRF funding was designed to address -- the Biden Administration and Congress made that clear, as did the Treasury Department in their IRF:

Low- income communities and workers and people of color have faced more severe health and economic outcomes during the pandemic, with pre-existing social vulnerabilities like low-wage or insecure employment, concentrated neighborhoods with less economic opportunity, and pre-existing health disparities likely contributing to the magnified impact of the pandemic.

The Fiscal Recovery Funds provide resources to not only respond to the immediate harms of the pandemic but also to mitigate its longer-term impact in compounding the systemic public health and economic challenges of disproportionately impacted populations. Treasury encourages recipients to consider funding uses that foster a strong, inclusive, and equitable recovery, especially uses with long-term benefits for health and economic outcomes.

It's clear under the rules established by the Treasury Department that the City Council and the Mayor and/or the State Legislature and the Governor may use SL FRF funds to pay for medallion debt relief for drivers, either all at once or by establishing a capitalized funding stream over time:

Where there has been a negative economic impact resulting from the public health emergency, States, local, and Tribal governments have broad latitude to choose whether and how to use the Fiscal Recovery Funds to respond to and address the negative economic impact.

Sections 602(c)(1)(A) and 603(c)(1)(A) describe several types of uses that would be eligible under this category, including assistance to households, small businesses, and nonprofits and aid to impacted industries such as tourism, travel, and hospitality.

State, local, and Tribal governments may provide assistance to small businesses to adopt safer operating procedures, weather periods of closure, or mitigate financial hardship resulting from the COVID–19 public health emergency, including:

- Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs.

We at the Strong Economy For All Coalition support local, state and federal government action to build broader prosperity and reduce extreme inequality by taxing high incomes, extreme wealth and large corporations and investing in communities, workers and families.

As New York moves forward through the COVID-19 emergency towards a better future, we need a just, inclusive recovery that works for everyone. Medallion debt relief for drivers and their families should be an important part of our collective work to build a stronger, better, more broadly prosperous economy.

Thankfully, the United States Treasury agrees with us and with the NYTWA, as noted in the IFR for the SL FRF program:

Treasury encourages recipients to consider funding uses that foster a strong, inclusive, and equitable recovery, especially uses with long-term benefits for health and economic outcomes.

Thank you for the opportunity to submit this testimony, and we look forward to providing additional information, recommendations and support in the future should it be helpful.

Michael Kink, Esq.
Executive Director
Strong Economy For All Coalition

SLFRF DISTRIBUTIONS

NEW YORK STATE

<https://home.treasury.gov/system/files/136/fiscalrecoveryfunds-statefunding1-508A.pdf>

\$12,744,981,589.00

<https://home.treasury.gov/system/files/136/fiscalrecoveryfunds-statefunding1-508A.pdf>

NEW YORK COUNTIES

https://home.treasury.gov/system/files/136/fiscalrecoveryfunds_countyfunding_2021.05.10-1a-508A.pdf

New York Albany County \$59,340,959.00
New York Allegany County \$8,952,636.00
New York Bronx County \$275,470,084.00
New York Broome County \$37,000,061.00
New York Cattaraugus County \$14,784,835.00
New York Cayuga County \$14,873,990.00
New York Chautauqua County \$24,649,420.00
New York Chemung County \$16,210,350.00
New York Chenango County \$9,169,406.00
New York Clinton County \$15,633,268.00
New York Columbia County \$11,549,602.00
New York Cortland County \$9,242,051.00
New York Delaware County \$8,572,706.00
New York Dutchess County \$57,148,397.00
New York Erie County \$178,447,094.00

New York Essex County \$7,164,479.00
New York Franklin County \$9,716,187.00
New York Fulton County \$10,369,022.00
New York Genesee County \$11,125,969.00
New York Greene County \$9,165,716.00
New York Hamilton County \$857,756.00
New York Herkimer County \$11,910,497.00
New York Jefferson County \$21,333,967.00
New York Kings County \$497,231,149.00
New York Lewis County \$5,107,690.00
New York Livingston County \$12,220,307.00
New York Madison County \$13,779,458.00
New York Monroe County \$144,080,127.00
New York Montgomery County \$9,560,602.00
New York Nassau County \$385,003,440.00
New York New York County \$316,357,047.00
New York Niagara County \$40,650,381.00
New York Oneida County \$44,416,661.00
New York Onondaga County \$89,452,165.00
New York Ontario County \$21,322,895.00
New York Orange County \$74,770,082.00
New York Orleans County \$7,837,903.00
New York Oswego County \$22,749,964.00
New York Otsego County \$11,555,818.00
New York Putnam County \$19,097,507.00
New York Queens County \$437,785,496.00
New York Rensselaer County \$30,828,334.00
New York Richmond County \$92,485,196.00
New York Rockland County \$63,280,694.00
New York Saratoga County \$44,648,193.00
New York Schenectady County \$30,165,010.00
New York Schoharie County \$6,021,192.00
New York Schuyler County \$3,458,801.00
New York Seneca County \$6,607,209.00
New York St. Lawrence County \$20,927,232.00

New York Steuben County \$18,526,253.00
New York Suffolk County \$286,812,434.00
New York Sullivan County \$14,651,782.00
New York Tioga County \$9,362,868.00
New York Tompkins County \$19,847,267.00
New York Ulster County \$34,491,474.00
New York Warren County \$12,420,372.00
New York Washington County \$11,888,160.00
New York Wayne County \$17,465,517.00
New York Westchester County \$187,926,698.00
New York Wyoming County \$7,742,143.00
New York Yates County \$4,839,058.00

NEW YORK CITIES

<https://home.treasury.gov/system/files/136/fiscalrecoveryfunds-metro-citiesfunding1-508A.pdf>

New York Albany \$80,725,433.00
New York Amherst Town \$15,230,415.00
New York Auburn \$21,395,055.00
New York Babylon Town \$27,770,292.00
New York Binghamton \$46,184,674.00
New York Brookhaven Town \$55,026,837.00
New York Buffalo \$331,356,932.00
New York Cheektowaga Town \$25,316,853.00
New York Clay Town \$6,644,891.00
New York Colonie Town \$9,482,071.00
New York Dunkirk \$10,885,109.00
New York Elmira \$28,270,386.00
New York Glen Falls \$12,008,323.00
New York Greece \$11,863,368.00
New York Hamburg Town \$11,538,866.00
New York Hempstead village \$16,790,322.00
New York Huntington Town \$22,209,010.00

New York Irondequoit \$22,454,916.00
New York Islip Town \$47,551,642.00
New York Ithaca \$16,092,137.00
New York Jamestown \$28,079,145.00
New York Kingston \$17,301,385.00
New York Middletown \$11,313,784.00
New York Mount Vernon \$41,108,657.00
New York New Rochelle \$36,938,483.00
New York New York \$4,259,566,740.00
New York Newburgh \$21,814,339.00
New York Niagara Falls \$57,207,528.00
New York Poughkeepsie \$20,863,783.00
New York Rochester \$202,141,319.00
New York Rome \$24,134,423.00
New York Saratoga Springs \$7,848,020.00
New York Schenectady \$52,971,798.00
New York Syracuse \$123,076,929.00
New York Tonawanda Town \$40,351,859.00
New York Troy \$42,879,140.00
New York Union Town \$30,477,638.00
New York Utica \$60,881,737.00
New York Watertown City \$22,265,728.00
New York West Seneca \$8,508,246.00
New York White Plains \$23,167,555.00
New York Woodbury village \$1,473,403.00
New York Yonkers \$87,486,480.00

NEW YORK NON-ENTITLEMENT UNITS

(local governments under 50,000 people)

<https://home.treasury.gov/system/files/136/fiscalrecoveryfunds-nonenitlementfunding1-508A.pdf>

New York \$774,248,894.00

Randal Wilhite, Esq.
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October 14, 2021

Submitted via electronic mail to yrodriguez@council.nyc.gov

Committee on Transportation
New York City Council
City Hall
New York, NY 10007

Re: Oversight of Medallion Relief Program

Dear Council Members:

I am a staff attorney at the New York Legal Assistance Group (NYLAG). I submit this testimony in my personal capacity and not on behalf of NYLAG or any other entity. This letter, along with various other communications from me to relevant parties, including but not limited to my oral testimony before this committee on October 8, 2021, should be understood as a whistleblower complaint made pursuant to Section 12-113 of the New York City Administrative Code.

From September 8, 2020, until September 10, 2021, I exclusively represented taxi medallion owners and their families referred to NYLAG through the TLC's Owner/Driver Resource Center (DRC). NYLAG has been providing no-cost legal representation to medallion owners referred via the DRC since May 2020, pursuant to a contractual agreement with the New York City Department of Consumer and Worker Protection (DCWP). As you know, the provision of services to taxi drivers struggling with medallion debt was an initiative of the City Council.¹

Since the TLC announced the MRP in March 2021, the utilization of legal services from NYLAG has been made a key aspect of the Program's rollout. As the webpage for the MRP instructs, "How to Participate: Schedule a legal services appointment with TLC's Owner/Driver Resource Center to speak with a free legal services professional from the New York Legal Assistance Group. These experts are available to help you negotiate new loan terms with your lender."²

The primary purpose of my testimony is to shed light on a deeply troubling pattern of misrepresentations made by the TLC about the Medallion Relief Program (MRP) and its purported successes. For example, despite repeated public representations and assurances about the willingness of the industry's lenders to participate in the MRP, I possess a recording from September 9, 2021, that tells a different story. In it, Cynthia Davidson (TLC's Executive Director of Policy Initiatives & Driver Education) indicates to attorneys at NYLAG that TLC is planning to increase the amount of the grant available under the MRP from \$20,000 to \$30,000 or \$40,000

¹ See Local Law 220 of 2018.

² N.Y.C. Taxi and Limousine Comm'n, Taxi Medallion Owner Relief Program, <https://www1.nyc.gov/site/tlc/about/taxi-medallion-owner-relief-program.page> (last accessed Oct. 13, 2021).

for the lenders who have been unwilling to agree to provide the 20%, 30%, or 40% of loan forgiveness required under the current rules of the MRP. It is vital that the TLC's misrepresentations be exposed as such, because they speak directly to and are intended to mollify the near-universal concerns that have been raised about the adequacy and design of the MRP by industry stakeholders and officials throughout federal, state, and city government.³

The Creation of the Medallion Relief Program

The MRP has been characterized by arrogance and untruth on the part of the TLC since its inception. According to the testimony of Commissioner and Chairperson Aloysee Heredia Jarmoszuk at this Committee's oversight hearing on October 8, 2021:

Over a seven-month period after the [DRC] opened, TLC learned that medallion owners working with the Center and with means for a down payment for refinancing were able to achieve improved loan terms and better financial stability. TLC also learned that a number of medallion owners were unable to afford the down payment needed to refinance.

During this time, TLC also engaged in numerous discussions about how to address the debt issue with the industry stakeholders, including medallion owners, drivers, advocates, attorneys, and financial experts.⁴

Similarly, earlier this year, during the Committee's preliminary budget hearing on March 9, 2021, when Chairperson Rodriguez asked the Commissioner how she knew that the MRP would work, she stated the following:

[W]e know that many lenders over the last year that have written down hundreds of millions of dollars in loans through restructurings. What we have heard time and time again . . . from our medallion owners is that . . . they cannot afford the down payment that

³ The lengths to which TLC and DCWP have gone to try to prevent me from speaking out publicly underscore the extent of their efforts to obscure the truth. On September 10, 2021, without warning, I was suspended by NYLAG from continuing to work with my medallion-owner clients (i.e., all of my clients) after I begun to raise concerns about the MRP in public. NYLAG's general counsel informed me that, at the urging of the TLC, DCWP had threatened to pull its funding from NYLAG if I was not immediately removed from working with my clients. TLC and DCWP's sole complaint about me at this time was that I had given a presentation about the taxi medallion debt crisis, in my personal capacity, in which I briefly criticized the MRP.

I subsequently gave an interview to a journalist in which I explained how some of the claims that TLC was making about the MRP were untrue. See Wen Zhuang, *Cab Drivers Are Drowning in Debt. The City's Plan Won't Help*, New York Focus (Sept. 23, 2021), <https://www.nysfocus.com/2021/09/23/taxi-cab-drivers-debt-protest/>. I also signed up to testify at the TLC hearing on the proposed rules for the MRP, to be held on September 27, 2021, in order to express similar concerns. On the day the journalist's article was published, NYLAG suspended me from all work and cut off my access to my email account and to other internal documents. On September 27, TLC refused to allow me to testify at the hearing on the proposed rules.

⁴ Video: N.Y. City Council Comm. on Transportation Oversight Hearing (Oct. 8, 2021) (beginning at 18:28), available at <https://councilnyc.viebit.com/player.php?hash=vH2DuvG2wzWC>.

is necessary to restructure the loan. And so, this \$65 million plan will facilitate that so that the medallion owners don't have to worry about stringing \$20,000 together.⁵

These statements are remarkable and disturbing because they are unfounded.

For nearly a year before the TLC announced the MRP in March 2021, NYLAG attorneys had been representing taxi medallion owners and their families, most often directly in relation to their medallion debt, on a day-to-day basis. In doing so, we became highly familiar with each of the lenders active in the industry. To my knowledge, however, there was from 2020 to early 2021 only a single lender in the industry offering to provide a significant amount of loan forgiveness in exchange for a one-time payment in the vicinity of \$20,000. This lender—as reported in the *Wall Street Journal* in September 2020—was Marblegate Asset Management LLC (“Marblegate”).⁶ I know of no other lender who was willing to enter into a similar agreement with medallion owners during this time. It is simply untrue that “many lenders” were “writ[ing] down hundreds of millions of dollars in loans” through such restructurings during this time.

Had the Commissioner or her team in fact consulted with the team of City-funded attorneys at NYLAG dealing with the industry's lenders on a daily basis on behalf of medallion owners when conceiving the MRP, we could have explained this to them. But the truth is that NYLAG knew nothing about the MRP before it was announced to the public on March 9, 2021, nor were any NYLAG staff, to my knowledge, consulted about it. Thus, any suggestion that the TLC consulted with attorneys at the DRC about “how to address the debt issue,” or that the MRP reflects insights gained from the work of attorneys at the DRC is also untrue.

Inconsistencies between the Commissioner's testimony when the MRP was first announced in March 2021 and the present should similarly raise serious questions about the degree of study and consultation that actually went into the conception of the MRP. On March 9, 2021, the Commissioner testified that the \$65 million from the MRP would be used to “restructure[e] around 3200 or 4000 medallions,” postulating that if “each loan has achieved something in the ballpark of \$250,000 in debt forgiveness . . . that creates a pathway for hundreds of millions of dollars collectively in debt forgiveness” and assuring this Committee that “\$65 million will yield over \$400 to \$800 million in debt relief.”⁷ When the Commissioner testified at this Committee's oversight hearing on October 8, 2021, however, she indicated that the \$65 million fund would now only be able to cover 2,250 medallion loans.⁸ Furthermore, according to an October 9, 2021, press release from Mayor de Blasio, the average debt forgiveness purportedly obtained through the MRP

⁵ Testimony of Commissioner Aloysee Heredia Jarmoszuk at 99:24-100:10, Hearing of the N.Y. City Council Comm. on Transportation (Mar. 9, 2021), *available at* <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=4809579&GUID=3237E7F8-DA59-4B1D-93C2-B9CB90C8E8C8&Options=&Search=>.

⁶ Paul Berger, *Investment Firm Forgives \$70 Million in New York City Taxi-Cab Debt*, The Wall Street Journal (Sept. 13, 2020), <https://www.wsj.com/articles/investment-firm-forgives-70-million-in-new-york-city-taxi-cab-debt-11600012810>. Notably, Marblegate was only willing to enter into such agreements with respect to a portion of its loan portfolio, specifically loans with unpaid principal balances of \$325,000 or more.

⁷ Testimony of Commissioner Jarmoszuk, *supra* note 5, at 92:19-24, 106:8-10.

⁸ Video: Transportation Oversight Hearing, *supra* note 4, beginning at 31:00.

so far has been only ~\$155,000.⁹ This average has been declining each week since the administration began issuing weekly press releases touting the purported results of the MRP on September 18, 2021¹⁰—with the average amount of forgiveness for “deals” approved in the most recent week being ~\$109,000.¹¹ (Tellingly, in her written testimony to this Committee for its October oversight hearing, Commissioner Jarmoszuk now boasts only that “some medallion owners . . . will attain over \$100,000 in debt forgiveness.”¹²)

Yet, despite now admitting that it has “never been able to figure out what the debt issue is, or . . . how many medallion owners actually need assistance,”¹³ the de Blasio administration continues to claim that “\$500 million in total relief [is] expected” from the MRP.¹⁴ Even using the TLC’s own numbers for the average debt forgiveness obtained through the MRP so far (\$155,000), and assuming that 2,250 medallion owners are able to get their lender to participate, however, one can see the Program is only on track to yield approximately \$350 million. Furthermore, for reasons that I explain below, the debt forgiveness figures that the TLC has reported for the MRP so far are misleading; and it is practically unfathomable that the MRP in its current design will actually benefit 2,250 medallion owners.

The Failure of the Medallion Relief Program

In the months following the announcement of the MRP, the TLC solicited hundreds of medallion owners to schedule appointments with NYLAG, making bold claims to medallion owners about the ability of NYLAG’s attorneys to negotiate significant amounts of loan forgiveness from lenders using \$20,000 from the MRP. For example, the TLC’s webpage for the MRP states that \$20,000 “can be used as a down payment to restructure loan with your lender. They create a multiplier effect: \$20,000 can mean hundreds of thousands of dollars off your loan principal.”¹⁵ Likewise, Commissioner Jarmoszuk reportedly assured one medallion owner that the \$20,000 would “cut your debt in half. So today you owe \$400,000. If you participate in this program, when it’s done you will owe \$200,000.”¹⁶

⁹ Press Release, Office of the Mayor, Taxi Medallion Relief Program Sees First 90 Owners Receive \$14 Million in Debt Forgiveness (Oct. 9, 2021), *available at* <https://www1.nyc.gov/office-of-the-mayor/news/682-21/taxi-medallion-relief-program-sees-first-90-owners-receive-14-million-debt-forgiveness>.

¹⁰ Press Release, Office of the Mayor, First Taxi Medallion Owners Receive \$700,000 in Debt Relief, as \$500 Million in Total Relief Expected for More Drivers (Sept. 18, 2021), *available at* <https://www1.nyc.gov/office-of-the-mayor/news/629-21/first-taxi-medallion-owners-receive-700-000-debt-relief-500-million-total-relief>.

¹¹ Taxi Medallion Relief Program Sees First 90 Owners Receive \$14 Million, *supra* note 9.

¹² Written Testimony of Commissioner Aloysee Heredia Jarmoszuk at 4, Hearing of the N.Y. City Council Comm. on Transportation (Oct. 8, 2021), *available at* <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=5158117&GUID=7F7270B6-1281-4A7D-A13D-5B0B26AAF6FB&Options=&Search=>.

¹³ Video: Transportation Oversight Hearing, *supra* note 4, beginning at 48:02.

¹⁴ Press Release, Office of the Mayor, First Taxi Medallion Owners see Over \$5 Million in Debt Relief (Sept. 25, 2021), *available at* <https://www1.nyc.gov/office-of-the-mayor/news/650-21/first-taxi-medallion-owners-see-5-million-debt-relief>.

¹⁵ Taxi Medallion Owner Relief Program, *supra* note 2.

¹⁶ Brian Pascus, ‘Stop with the Suicide Thing,’ Taxi Chief Tells Cab Owner Opposed to Mayor’s Medallion Plan,” *Crain’s N.Y. Business* (Apr. 14, 2021), <https://www.crainsnewyork.com/transportation/stop-suicide-thing-taxi-chief-tells-cab-owner-opposed-mayors-medallion-plan>.

The story told by the TLC about what happened next is as follows. According to the Statement of Basis and Purpose of the proposed rules for the MRP, published in mid-August, “The TLC’s Owner-Driver Resource Center has worked with over 700 medallion owners and a dozen different lenders on renegotiating loans. Lenders have participated in the process and have offered restructuring and forgiveness terms that would meet the required parameters of the proposed rules.”¹⁷ Similarly, the Office of the Mayor stated in a September 18th press release that “[n]early 800 medallion owners are in stages of renegotiations, a significant portion of which will be completed by the end of 2021.”¹⁸ And, in her written testimony to this Committee, Commissioner Jarmoszuk claimed that “over 1,000 Medallion Owners and a dozen lenders are in various stages of working with the TLC Owner/Driver Resource Center to restructure loans and lower monthly payments.”¹⁹

These claims are extraordinarily misleading, if not outright false. As of the date I was suspended from working with medallion owners, September 10, 2021, there were to my knowledge at most two lenders agreeing to provide loan forgiveness to borrowers through restructurings in amounts that qualified them for grants under the proposed rules for the MRP.

Specifically, for borrowers who owe \$325,000 or more in unpaid principal, Marblegate had been offering to lower the borrower’s balance to \$275,000 and to accept a minimum monthly payment of \$1,607.62, in exchange for the \$20,000 MRP payment and a \$1,500 upfront “legal fee” from the borrower. (Because the rules for MRP require the lender to provide at least 30% forgiveness if the minimum monthly payment is more than \$1,500,²⁰ only Marblegate borrowers with an unpaid principal balance of approximately \$400,000 or more actually stood to qualify, however.) As the TLC also knows, for borrowers who owe between \$200,000 and \$325,000 in unpaid principal, Marblegate was only willing to provide 10% loan forgiveness in exchange for the \$20,000 MRP grant (and a \$1,500 fee from the borrower). And, for borrowers who owe less than \$200,000, Marblegate was only willing to provide 5% forgiveness.

Based on my knowledge of lenders’ negotiating activity, a second lender, Signature Financial LLC (“Signature”), may have begun tendering restructuring offers that would have qualified borrowers for grants under the proposed rules. However, I am not aware of specific instances where this had occurred. Signature has a substantially smaller medallion loan portfolio than Marblegate.

There were some additional lenders that had indicated their willingness to accept money from the MRP as part of a borrower’s payment to settle their medallion loan. Loan settlements involve the borrower making a one-time payment—typically between \$80,000 and \$250,000 depending on the lender and the borrower’s unpaid principal balance—to settle their debt outright. As I will explain shortly, the difference between a loan settlement and a loan restructuring is significant.

¹⁷ N.Y.C. Taxi and Limousine Comm’n, Notice of Public Hearing and Opportunity to Comment on Proposed Rules, Aug. 2021, *available at* <https://www1.nyc.gov/assets/tlc/downloads/pdf/proposed-eligibility-for-medallion-reliefprogram-08-19-2021.pdf>.

¹⁸ First Taxi Medallion Owners Receive \$700,000 in Debt Relief, *supra* note 10.

¹⁹ Written Testimony of Commissioner Jarmoszuk, *supra* note 12 at 5.

²⁰ Notice of Public Hearing and Opportunity to Comment on Proposed Rules, *supra* note 17.

The information about the first 57 medallion owners approved for the MRP provided by Commissioner Jarmoszuk at the October 6, 2021, TLC meeting is revealing. According to her, “Of that group of people, we had about 11 . . . that were able to settle, and will owe no money now. Um, we had eight, uh, we had eight who will have monthly payments of less than \$615 a month under their new restructuring, um, and 37 of the, the, remaining, um, group, uh, will have payments below \$1,600 a month.”²¹ The Commissioner also stated that these 57 medallion owners collectively achieved \$10.4 million in debt forgiveness.²²

One crucial thing to recognize about these figures is that, in those instances where the borrower settled their loan, they would have generally paid tens (if not hundreds) of thousands of dollars in addition to the \$20,000 provided through the MRP in order to settle. For obvious reasons, this option is not available to most medallion owners. Additionally, it is misleading to include the debt forgiveness achieved by these borrowers in the total and/or average amount that the MRP has yielded, because most of the forgiveness obtained by these borrowers is not actually attributable to the MRP.

Also significant is the Commissioner’s seemingly arbitrary delineation between eight borrowers whose monthly payments will be less than \$615 and 37 borrowers who “will have payments below \$1,600.” To me, this information is not arbitrary, but clearly indicates that the 37 borrowers are Marblegate borrowers who all entered into the same agreement, with identical loan terms (described above), to lower their principal balance to \$275,000.²³ Finally, based on my knowledge of Signature’s loan portfolio and NYLAG’s prior experience negotiating agreements with them, the monthly payment amounts obtained by the remaining eight borrowers are suggestive of restructurings with Signature.

For all of these reasons, as well as others which follow, any suggestion that the “deals” completed via the MRP thus far are representative of individual medallion owners as a whole is grossly misleading.

An Ongoing Effort to Obscure the Program’s Failures

Among the industry’s other lenders, one of the largest holders of medallion loans, OSK, a Minnesota-based hedge fund, had at the time of my suspension continually refused to engage in substantive discussions regarding the MRP with attorneys from NYLAG. Instead, beginning before my suspension and continuing during it, OSK has recently been engaged in an aggressive effort to enforce its loans, repossessing numerous medallions and filing a wave of new litigation against borrowers.²⁴ In other words, just as the Commissioner testifies that the “TLC expect[s] to

²¹ Video: N.Y.C. Taxi and Limousine Comm’n Meeting (Oct. 6, 2021) (beginning at 12:48), *available at* <https://livestream.com/nyctaxi/100621commmeeting>.

²² *Id.* (beginning at 11:20).

²³ Why the Commissioner would state that these borrowers’ payments would be “below \$1,600,” rather than the actual \$1,607.62 amount, I do not know. But doing so is not inconsistent with what seems to me to be a pattern of exaggeration and embellishment.

²⁴ These litigation filings are public record.

help all individual medallion owners who need assistance” and that she “is not aware of any lenders who are not participating” in the MRP,²⁵ one of the industry’s largest lenders is actively foreclosing on medallion owners.

Another lender had expressly declined to participate in the MRP for purposes of loan restructurings, stating that it would only be willing to accept money from the MRP as part of a borrower’s one-time payment to settle their loan.

Another lender, one of the largest in the industry, had indicated that it was only willing to provide \$40,000 in loan forgiveness to borrowers who wished to participate in the MRP (at least, on the understanding that the amount of the MRP grant would be \$20,000). This amount would be inadequate to qualify most of the lender’s borrowers for grants under the proposed rules of the MRP, given their typical unpaid principal balances.

At the time of my suspension, to my knowledge, there was only one other lender that was developing a serious proposal to provide loan forgiveness through restructurings in amounts that would qualify a significant number of its borrowers for grants under the now-final rules of the MRP. However, these efforts by the lender were only preliminary and were subject to an internal approval process, and no qualifying offers had yet been made. Moreover, this lender only holds minority participatory interests in a significant portion of the loans in its portfolio, while the majority owner varies from loan to loan. In these cases, the decision of whether to participate in the MRP would remain up to the majority participant.

Based on the actual response of the industry’s lenders to the MRP, it was not altogether surprising to me when, on September 9th, Cynthia Davidson informed NYLAG’s attorneys that the TLC was planning to increase the amount of the grant available under the MRP from \$20,000 to \$30,000 or \$40,000 where lenders are unwilling to agree to provide the 20%, 30%, or 40% forgiveness required under the rules of the MRP.

All of this is also generally consistent with reporting in *Crain’s New York Business* that Commissioner Jarmoszuk “held a call with skeptical lenders Aug. 18 [*sic*] to announce that the commission is now turning the \$29,000 into one-time grant payments,” and that “some lenders remain hesitant on whether it’s in their best interest to participate.”²⁶ As one industry insider explained: “Lenders were pushing back as far as the dollar amount they were willing to commit . . . lenders are looking at it and saying, ‘. . . it seems what we have to give up isn’t worth it.’”²⁷

What is surprising to me, and deeply troubling, is that the TLC nonetheless continues to push a narrative about the MRP in public and before the City Council that is sharply divergent from what is actually unfolding through the administration of the Program. Commissioner Jarmoszuk

²⁵ Video: Transportation Oversight Hearing, *supra* note 4, beginning at 48:02 and 1:12:30, respectfully.

²⁶ Brian Pascus, *\$65M Taxi Relief Fund Stalls Six Months On*, *Crain’s N.Y. Business* (Aug. 30, 2021), <https://www.crainsnewyork.com/transportation/new-york-city-tlc-65-million-medallion-relief-program-stalls-after-six-months>.

²⁷ *Id.*

reiterated at this Committee's recent oversight hearing that "The Program provides a \$20,000 grant to all participants to be used as a down payment to help restructure medallion-related loans," elaborating that "This \$20,000 can mean hundreds of thousands of dollars off loan principal. Through the multiplier effect of the grant payments, a \$65 million program can achieve as much as \$500 million in debt forgiveness."²⁸ She further stated that over 1,000 people are already "in various stages of debt restructuring,"²⁹ suggesting that the TLC's goal is to allocate funding for "all applicants [i.e., up to 2,250] by the end of this calendar year."³⁰

Stop the TLC from Continuing to Deceive This Committee and the Public.

You do not need to take my word for the things I have shared with you in this letter. There is extensive internal documentation available to you, should you choose to seek it, which confirms everything I have said. I strongly urge you to inquire further into the extraordinarily reckless and deceptive administration of the Medallion Relief Program. Our medallion owners do not have time to wait for the failure of the MRP to become apparent.

Respectfully Submitted,

/s/ Randal Wilhite

Randal Wilhite, Esq.

²⁸ Video: Transportation Oversight Hearing, *supra* note 4, beginning at 20:20.

²⁹ Written Testimony of Commissioner Jarmoszuk, *supra* note 12 at 4.

³⁰ Video: Transportation Oversight Hearing, *supra* note 4, beginning at 23:55.

Medallion Debt forgiveness

Attention: council members,

My name is Joan Bottex. I am speaking to you on Behalf of Etienne Bottex who drove yellow cab for 45 years. His Yellow cab was his only means of support for his family of four, and later to be his retirement income.

His life began to change when he was rear ended on Grand Central Parkway after dropping a passenger at LaGuardia airport. As a result of this accident he had a herniated disc. He was unable to sit for long periods of time, walk and or lie flat in bed. There were many nights that he knelt on his knees at bedside in order to gain comfort to sleep.

Due to this excruciating back and leg pain he had to have surgery. He had a two laminectomy and disectomy followed by 7 spinal epidural steroid injections. Due to other medical issues coupled with age. He leased his medallion to White and Blue Medallion Leasing, receiving \$3,200 monthly income. He would also work weekends with this said company to help make ends meet.

When TLC and The Mayor allowed Uber and Lift in the City without regulations causing the industry to crash. His leasing income declined to \$1500/monthly and \$950 pre pandemic with a monthly mortgage of \$3,050.00 to Marblegate/Field Point Servicing..

The Taxi and Limousine Proposal is not sufficient help for Drivers who are under water. TLC and the Mayor are making the same Offer shy couple dollars of what the banks offered.

Thus leaving me to question are they working with the banks or with drivers who have lost their entire investment, income and Future.

Do you know what our life (taxi drivers) have been like for the past years watching our future crumble?

For past 22days we have been in front of City Hall in rain, cold and the heat we will not leave until someone hear us and Grant us what we are asking for. The city owes us after destroying the business. Forty five years of his Blood sweat and tears he has nothing!!

The Commissioner says people are making ten thousand Dollars a month

1-How many Days are they working weekly

2-How much they pay for Congestion pricing, Gas, Car repair, Rent etc.

3- How many hours behind the wheel. Are they working more than 12 hrs day? if so that's a danger to Public safety and to themselves!!

Finally if Business is that great why haven't the Leasing Company payed owners since March of 2020 and why are companies like White and Blue offering to pay \$200/ monthly starting November 2021.



MEDALLION TAXICAB AGENT DESIGNATION FORM

TLC OFFICE USE ONLY
Agent's Code: _____

This form should be used to designate a TLC licensed Agent to operate a Medallion(s) on an Owner's behalf. Once this form is submitted, the Agent will have the authority to represent the Medallion(s) listed below before the TLC. This form may be used for multiple Medallions, but only for one Agent and one Owner. The form must be notarized, and submitted with original signatures and the Owner's photo ID. For additional information visit www.nyc.gov/tlc.

Agent Designating: _____
(Agent's Name)

Medallion Owner Information.

Name: _____
Email Address: _____
Home Address: _____ State: _____ Zip: _____
Mailing Address: _____ State: _____ Zip: _____
Phone No.: _____ EIN: _____

Medallion Information.

 List each Medallion that the Owner authorizes the Agent to represent.

1) _____	5) _____	9) _____	13) _____	17) _____
2) _____	6) _____	10) _____	14) _____	18) _____
3) _____	7) _____	11) _____	15) _____	19) _____
4) _____	8) _____	12) _____	16) _____	20) _____

Owner & Agent Affirmation.

 Both Owner and Agent must agree and sign to the below.

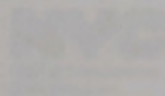
" _____ (Owner's name) affirms that _____ (Agent's name), a TLC licensed Agent, has been designated to act on Owner's behalf, as Agent and representative before the TLC, to manage the above listed Medallion(s) per TLC Rules. Owner and Agent understand that upon submission of this form, Agent's authority will remain in effect until the Owner or Agent removes the designation, and notifies TLC of the change; or until TLC notifies the Owner that the Agent's designation has been terminated. Owner and Agent each understand they remain independently responsible for compliance with TLC Rules, including those applicable to owning and operating a medallion; and that designating an Agent does not affect an Owner's responsibility to comply with TLC Rules. Owner and Agent further understand that TLC is not a party to, nor involved in any agreement between Owner and Agent for the management of the above Medallion(s); and neither party will rely on TLC to assist with the return of Medallion credentials upon termination of Agent's representation, or for any matter related to Agent's representation. Owner and Agent each affirm and certify that per TLC Rule §63-04(h) and §63-11(g), all taxes and surcharges for the above Medallion(s) while under Agent's management will be collected and remitted to the appropriate parties; and if requested, proof of remitted taxes will be provided to TLC. Owner and Agent each acknowledge that any false statement(s) submitted is punishable under the law, and may result in the denial of an application, or the suspension or revocation of an existing license or permit."

Owner Name: _____ Signature: _____ Date: _____

Agent Name: _____ Signature: _____ Date: _____

Notary.

Notary Signature Date (affix seal)



NOTARIAL PUBLIC AGENT DESIGNATION FORM

Know all things to which these presents shall come, that I, the undersigned, do hereby certify that the foregoing is a true and correct copy of the original as the same appears to me.

In Witness Whereof,
day of

have hereunto set
in the year

hand and seal on the

Sealed and Delivered in the presence of _____

STATE of New York } s.s:
COUNTY OF } }

BE IT KNOWN: That on the _____ day
of _____ in the year _____
before me

a Notary Public in and for the State of New York
duly commissioned and sworn personally came and
appeared

to me personally known and known to me to be the
same person described in and who executed the Power
of Attorney and

acknowledged the within Power of Attorney to be
his/her act and deed

IN TESTIMONY WHEREOF, I have hereunto subscribed
my name and affixed my seal of office the day and last
above written.

Notary

WHITE & BLUE GROUP CORP.

35-11 43rd Avenue
Long Island City, NY 11101
Tel: 718-786-6594
Fax: 718-786-6264
E-mail: info@wbtaxi.com

September 30, 2021

Re: Medallion Payments

Dear Valued Medallion Owner,

The last couple of years have been extremely difficult for our industry. We've been through some unprecedented and volatile times. I believe that the worst is behind us now.

I write this letter to you today because I am optimistic that our industry will see better days. Effective November 1st, you will receive \$200 per month for each medallion that you own that is currently on the road and operating under our management. In addition, we will continue paying all the costs associated with operating your medallion as we always have.

This may not be the amount that you've received in the past. However, it is a starting point to put us back on the path to normalcy. Throughout the pandemic, we did everything we could do to survive. We subsidized medallion expenses and offered vehicles to drivers at no charge. Some other garages were unable to pay the exorbitant expenses associated with operating medallions and instead they went out of business.

Furthermore, I am optimistic that medallion payments will increase over time. This is just the beginning. We have to start from here and work our way up. It will take a lot of patience, but I strongly believe that things will get better with time.

Kindly fill out the attached forms so we can update your information and begin processing your medallion payment. Please sign where indicated and provide all your current information. In addition, please provide us with a voided check so we can set up Direct Deposit Payments for you. Please email or mail all of the documents to the above address.

Thank you for your loyalty. I appreciate your patience through COVID. I look forward to a long and healthy relationship. And I hope we see some stability again.

Sincerely,

Your WB Taxi Family

Know all Men by These Presents

That

Have made, constituted and appointed, and by these presents do make, constitute and appoint

True and lawful attorney for me, and in my name, place and stead:

To do whatever is necessary to expedite and complete Hack-up procedures for the New York City Taxi & Limousine Commission, its Hack sites, and to do whatever necessary with and for the Department of Motor Vehicles. To pay and answer any and all fines and/or summonses at the New York City Taxi & Limousine Commission and Department of Motor Vehicles. To sign whatever is necessary as I might do. To register and pick up plates from and surrender plates to the Department of Motor Vehicles. To execute any and all documents that are necessary to obtain and aid in procuring and obtaining Insurance Policies or Surety Bonds, including but not limited to Worker's Compensation and Auto Liability Policies or Liability Coverage Bonds and any and all documents that may be required by the respective insurance companies, guarantors or sureties. To execute any and all documents necessary for the prosecution and recovery of property damage claims and suits. To sign any and all documents pertaining to the purchase of vehicles to be used as taxicabs. To execute any and all documents for the purpose of registering a vehicle or to title a vehicle. To change address on Registrations. To sign any and all documents pertaining to any Police Department for the reason of obtaining any seized vehicle or in the possession of any government agency. To obtain TLC Ownership Letters. To act on my behalf and sign on my behalf with any government entity including but not limited to State and City Agencies and Departments.

Giving and granting unto said attorney full power of authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do if I were personally present, with full power of substitution and revocation, hereby ratifying and confirming all that said attorney or substitute shall lawfully do or cause to be done by virtue hereof.

This instrument may not be changed orally.

Update Owner Medallion Info

- ☐ Staple copy of voided check from the account you wish to receive payments to below
- ☐ Fill out the form below and return
- ☐ Sign and notarize power of attorney where highlighted
- ☐ Sign and notarize agent designation
- ☐ Send copy of drivers license front and back
- ☐ Mail original notarized documents to:
White and Blue Group Corp
3511 43rd Avenue
Long Island City, NY 11101

NAME: _____

CORP NAME: _____

MEDALLION # _____

HOME ADDRESS: _____

HOME PH# _____

CELL PH # _____

EMAIL _____

Staple voided check here

Evidence :Presented

Thank you for giving me this opportunity to express myself.

Joan Bottex, on Behalf of Etienne Bottex

Felicia Singh

10/8/2021

My name is Felicia Singh and I am the daughter of a taxi driver. He is an immigrant from Punjab India, he is 67 years old, and still drives a taxi because he will never be able to retire.

The NY Taxi Workers Alliance has a sound, right and doable plan for debt relief-one that's been approved by our Comptroller, our Attorney General, Congress Members and Senator Schumer. Our city has been negligent in taking responsibility for the medallion crisis and drivers and their families have had to suffer because of it.

My father had no choice but to file for bankruptcy in 2019 because it became too difficult to manage the cost of medallion loans along with fees and bills. In April 2020, his medallion was seized and he was left unemployed for about 3 months. On February 5, 2021 the bankruptcy court put a "for sale" sign on our house. The United Bankruptcy Court was one of the only courts still open for business during the pandemic and they threatened to evict my family in 90 days if we did not come up with the initial settlement amount of \$250,000. We fought hard to stay in our home despite intimidation, threats and spent thousands of dollars on representation. When we were able to come up with a settlement of \$150,000, the Trustee of the United States Bankruptcy Court wanted us to hand deliver the check to her home on Long Island.

On March 9, 2021, the City and the TLC announced a debt relief program: a proposal that offers owner-drivers up to \$20,000 to use in negotiations with their lenders to restructure their debt. Their plan would leave drivers with an astronomical monthly mortgage of \$2,000.

As council members, it is your responsibility to stand by the side of the people and the people are fighting to urge the Mayor to add a city-backed guarantee. The City made us working class, and made us stay in this position forever by design. The City wants us to be working class because we do the work of serving all NYers. The question is when is our Mayor and TLC going to find the moral compass to do something about it?

We cannot allow what happened to my family to happen to another family again. This is an intersectional issue that impacts drivers' health, their safety and their family's security. It's the City's turn to repay their debt and stop doing it on the dime of working-class people.

medallion owner real debt forgiveness

Good Evening Council Chairman,

My name is Furba Lama I am 55 yrs old individual medallion owner driver and a covid -19 survival. As I got covid on my lungs, I am still ill and suffering shortness of breath. My loan is \$499809.42 as of April 2020. Doctor suggest me to stay out of work and rest for further notice. Bank is offering me 275K restructure loan and 1600 monthly payment which is imposible for me. I agree with taxi workers alliance proposal which gives us life back. please rescue us from this nightmare. My bank was Merosse they sold me to PNC Real Estate and then PNC sold me to Marblegate Field Point. Is our problem is these rich peoples business? why they keep on selling us. I feel like modern eras slave. TLC also keep on bothering us. years before I was sick I gave them doctor's letter but they did not care instead threaten me you must drive or pay fine \$5000.00 I paid them more than \$10,000.00 because I was like working machine for them. They are so greedy, sold lot of Green and Handicap taxi medallion in high price, and then gave permission to tens of thousands of app companies like Uber, Lyft etc. and bicycle almost every block, e-bikes, Revel electric taxis, who took over our 75 % business and changed our regular medallion into handicap medallion every five year, MTA surcharge IMP surcharge Congestion surcharge, Airport surcharge, Credit card proccessing 5%. They makes rules whatever like to benefit for them. They destroy us. Please help us from this mess.

Thank you,

Sincerely

Furba lama medallion owner driver

In support of and in solidarity with NYC's Taxi Drivers

To the Council-

I am a resident of district 33, living in Williamsburg Brooklyn, and a native New Yorker.

Taxi drivers have been protesting for 21 days at City Hall. It's completely unfair to saddle these drivers with hundreds of thousands of dollars of debt.

Yesterday was a City Council Transportation Committee hearing discussing the medallion relief program. I absolutely support a debt relief program for medallion owners that would support the drivers and relieve them for the insurmountable debt they face.

Support the workers. Essential Workers! Not the Banks!

thank you

Gabrielle

Gabrielle Giattino

209 Bedford Ave
Brooklyn NY 11211

ggiattino@gmail.com

NYC CITY COUNCIL Committee on Transportation / Virtual Hearing Room 2

My name is Tom Gogan and I have resided in NYC for over fifty years.

I am here today in support of the New York Taxi Workers Alliance (NYTWA) proposal for a truly meaningful debt relief guarantee by the City that would require lenders to seriously restructure medallion loans, thereby removing the Sword of Damocles which now hangs over the heads of our many hard-working mostly immigrant driver-owners.

Thank you, Committee Chair Rodriguez for holding this timely hearing. The yellow cab drivers camped out near City Hall deserve to be heard, and I wish to express my support for them and their just cause. New York City has always been built and maintained by immigrants from all over the world. It would be unconscionable for the City to turn its back on them in their time of need. Half-baked or poorly-thought-out “solutions” won’t do when a real solution is needed.

I personally have spent the better part of my adult life working with immigrants, as a community and labor organizer here around the city and in the NYC metropolitan area. Currently I am an organizer with the Move the Money-NYC Coalition, which has a proposal before this Council also sponsored by CM Rodriguez, which in the medium to long run could greatly enhance financial resources available to New York City, by moving our tax dollars away from endless wars and redirecting those resources to our black, brown and immigrant communities where most yellow cab-drivers now live and support their families.

In the early 1970s I drove a yellow cab for a time and so I have a good idea of the long hours and energy it takes to safely transport people around this city, day after day and week after week. much less year after year. I drove before the era of driver-owned medallions became the norm in the taxi industry, and long before multi-billion dollar corporate entities like Uber and Lyft further transformed that industry, much to the detriment of today’s drivers. TLC’s I failed to foresee how digital tools would transform this industry. It compounded this error by building in no safeguards for the drivers when it opened the doors wide for the Lyfts and Ubers. Now it must undo the damage done to them.

The current rule proposed by the Taxi and Limousine Commission fails to go far enough. Are the TLC and the Mayor prepared for more driver suicides before they get this right? Already this city has lost too many. One such tragic death would have been too many! We as a City are better than this, and so it is our duty to re-think and revamp this program so that meaningful restructuring of these loans, with strong City guarantees in place, will right this grievous wrong.

I am cheered by the news that so many in our NYC Congressional delegation have written to Mayor deBlasio in support of the Taxi Workers Alliance proposal. It is on our City government to do the right thing, use its moral and financial power and get these drivers back on their feet so that they and their families and our city will prosper. This city and our civic leaders can move mountains when we set our minds to it. So let’s get this done!

Thank you.

October 8, 2021

RE: Taxi Medallion Relief Program & Support for Black Car & Livery Sectors

Dear Councilmembers:

My name is Harjit Singh, and I am the son of a taxi driver of thirty-one years. We currently owe \$500k on our medallion. My dad cashed out his life insurance policy for \$35k, and we owe about \$25k and \$18k on two credit cards.

Six years ago, in August of 2015 my dad, and several hundred owner drivers along with councilman Tony Avella, community leaders Harpreet Toor, and Satnam Parhar came to city hall and called on the city to act against the falling values of the medallion.

Those years of inaction from the city and TLC cost my family \$3k a month, \$36k a year, \$180k in total. We still owe \$500k after those payments. So, to those that say take the current form of the program and wait, I say no we can't. For every month we wait we are figuratively burning money by payments to an underwater, unmodified loan. The city's proposal modifies the loan to as high as \$330k. The NYTWA's plan modifies these loans to \$145k.

The value of the medallion is currently \$60-\$90k. We already have paid many times over. Don't take my word for it, check the most recent September 2021 transaction list on TLC's own website.

I applaud the sole TLC commissioner Steve Kest for being the sole vote saying this program is not the right way to move forward. Commissioner Polanco also says this program is what we have now and eludes on more to come, however, as I said earlier for every month that is delay that we pay, we are not only burning money, but others are being foreclosed on.

As an owner driver I understand the previous administration bares the brunt of the problem, but the inaction of the current administration to pass this down further is inexcusable. TLC further created a program, implemented a program, and launched it without even voting internally as Commissioner Kest said. Further as the transportation Chair Rodriguez says, the council was never even brought to the table either.

We cannot fold to small businesses to big banks. This crisis mirrors the 2008 housing crisis. Yet this industry learned nothing from that. Credit unions were still lending, zero down, and against loan to value, instead of a borrower's ability to repay.

We need a modification to market value of \$125k, roughly \$800 monthly payment, a city guarantee, fixed terms, and no balloon payment. NYTWA's plan gets it the closest to that. TLC commissioner Jarmoszuk leaves it at as high as \$330k. If the principal amount is lower, less borrowers are likely to default, if the balance is higher more borrowers are likely to default. One of the key failures of TLC is after selling medallions but having no financial knowledge of

their borrower after. Even Chase and Wells Fargo know more. This is inequitable and is just kicking the can down further.

I am one of the people that TLC claims to be helping. It took the TLC seven months to launch this program, and they only opened it after I forwarded them a letter from the lender's attorneys, saying they would our medallion was up for auction in August 2021. Keep in mind in that time frame city council was never brought in, stakeholders were never brought in, and most importantly borrowers were never brought in.

I thank Chairman Rodriguez for holding this, and lastly want to say for every driver out there is a family. There is generational debt being passed forward without the market value resolution. Our goal is and has always been to keep the medallion, but the current conditions are making it very difficult.

Best,

Harjit Singh
HarjitSingh713@gmail.com

References:

- Hundreds of drivers protesting in 2015
<https://twitter.com/NYCDriver2/status/1442528485042540544>
- Medallion Transfer list (foreclosures and sales)
<https://www1.nyc.gov/site/tlc/businesses/medallion-transfers.page>
- Drivers premature death (not counted towards suicide)
https://twitter.com/Kuber_S_Persad/status/1315493723720081408
- Randal Wilhite, NYLag attorney saying program is not what TLC claims
https://twitter.com/randal_kirk/status/1445830626515439617
- CEO of the largest taxi credit union imprisoned
<https://www.justice.gov/usao-sdny/pr/former-ceo-melrose-credit-union-sentenced-nearly-4-years-prison-violating-bank-bribery>
- NCUA (the guarantor of medallion loans)
<https://www.ncua.gov/news/responding-collapse-new-york-city-taxi-medallion-market>

In support of NYC Taxi Drivers - forgive the debt now

I'm writing in support of the NYC Taxi Drivers and to call on you to meet their demands.

The whole medallion system was absolute nonsense to begin with and for New York to let companies like Uber and Lyft come in without any of those regulations, it's unjust and unethical. It's absurd that you put taxi drivers in this position in the first place.

Forgive ALL of their debt. Meet their demands! Free the taxi drivers

lex@lexroman.com

NYC Taxi Debt Relief now!

Hello,

The city's policy and disgraceful lack of regulation and even participation in inflated medallion prices have led to complete bankruptcy and even suicide by taxi drivers. Mayor DeBlasio's plan has been universally denounced by taxi drivers as a giveaway to banks, and fails to provide any real relief for our taxi drivers.

We must cancel their debt now! Pass the NYTWA's solution and support our cab drivers!

Best,

Lynn Miao

I stand against the NYC Taxi Driver relief program

Hello,

My name is Mallika, I am a New Yorker living in Brooklyn, I stand against the relief program proposed by the mayor for yellow cab owner-drivers. I am emailing to ask Mayor De Blasio to provide real relief for struggling yellow cab owner-drivers, not bail out the bankers who are profiting from their pain.

The plan announced by the mayors office allows banks to charge as much as \$2000/month for medallion mortgages, which is well beyond what almost all drivers can afford. The city is giving away millions in taxpayer money to these banks, but the drivers are getting nothing in return. Please fix this and provide a real plan that provides relief to yellow cab drivers, this is unacceptable!

Best,

Mallika Malkan

Solidarity with Taxi Cab Drivers

Hello,

My name is Monica and I'm a New Yorker living in Brooklyn. I'm emailing to express my solidarity with taxi drivers who have been protesting for 21 days at City Hall over the medallion relief program. It is completely unfair to saddle these drivers with hundreds of thousands of dollars of debt. Taxi drivers should receive real relief, not a program that's going to bail out bankers profiting from their pain.

The plan announced by the mayor's office allows banks to charge as much as \$2,000/month for medallion mortgages, which is well beyond what almost all drivers can afford. The city is giving away millions in taxpayer money to these banks, but the drivers are getting nothing in return.

I'm urging the City Council to listen to the drivers' demands for a city-backed guarantee on outstanding medallion debt for all owner-drivers, which will incentivize lenders to reduce the principal of the mortgages to no more than \$145,000, payable at \$800/month. That is a liveable plan, and anything that provides drivers with less relief is unacceptable. This city created this crisis, and we have a responsibility to solve it.

Sincerely,
Monica

--

Monica Kim
she/her/hers

TAXI LOAN FORGIVENESS

MY NAME IS SURIN MANAKTALA HACK NUMBER 419873 AND MEDALLION NUMBER 9A50.

I HAVE NEVER SEEN THE RECKLESS ADMINISTRATION AS TLC WHICH HAS DESTROYED THE CITY TRANSPORTATION SYSTEM.

YELLOW CAB DRIVERS AND OWNERS FED THE CITY BY COLLECTING OVER THREE DOLLARS PER RIDE TO PAY THE SALARIES OF CITY EMPLOYEES. WHICH AMOUNTS TO BILLIONS OF DOLLARS. NOW THEY CANT EVEN BAILOUT DYING OWNER/DRIVERS WHO ARE CHAINED TO THE STEERING WHEEL OF THEIR MEDALLIONS.

JUSTICE DELAYED IS JUSTICE DENIED.

I URGE THE CITY COUNCIL TO IMMEDIATELY PASS THE LAW UNDER WHICH CITY WILL BUY BACK ALL THE MEDALLIONS LOANS FROM LENDERS AND SET EVERYONE MONTHLY PAYMENT TO \$850 A MONTH. PERMANENT CAP ON FHW IS MUST WITHOUT ANY LOOPHOLES. WAV IS A BURDEN FOR OLDER AND FEMALE DRIVERS AND SHOULD BE EXCLUDED FROM YELLOW MEDALLIONS.

SURIN MANAKTALA

Debt forgiveness protester

I am Suves Bairagi, Medallion owner. My debt is 707000 so I am very very worried. I bought this medallion 2014. I gave 100000 when I bought it and I paid 4000 mortgage every month. I have another experience. I am begging justice. I'm waiting 10/08/21

Oversight hearing on Medallion Relief Program

Good afternoon, everyone. I am street fighter. My name is Suves Bairagi. I am professional taxi driver. I am serving in this city for 23 years. We are here 20 days 24/7 in front of our honorable City Hall.

I think everybody knows why we are here. Our demand: we want justice. Especially I want to know where is my \$100k I gave to the city in 2014. My family want to know, this society want to know. I paid \$6000 every month for this Medallion from 2014-2017. Still I have debt more than \$707k on my shoulder.

I am very very sick now. I had eye surgery last May 9th 2021. I bought this medallion for \$851k. After I bought this medallion, a thousand Uber & Lyft came on the street. Medallion price goes down. The city completely manipulated the market. Everybody knows except mayor and TLC. Only the mayor ignores us. You know why? Because we are immigrants.

I want to say to the Mayor: you're only mayor because us immigrants voted for you. We respect you, you have to respect us. This should be the expectation. No respect, no justice, no peace. I want to salute all of my friends who suicide for debt. But, I am not going to suicide now. I will try to find out where is my hard earned money before I die.

TLC announced to contact with MRP, last march. I finished my interview with MRP and submitted all papers they needed.

Unfortunately, I didn't get any result yet. Now I want to say. Mayor made this crisis. He has to solve it. City will be guarantor for our loan. For our security. I cannot trust any bank anymore.

Today, I feel proud because I am a member of NYTWA. I will follow the direction of my leader Ms. Bhairavi Desai while I am alive. I promised, I am ready to hunger strike if necessary.

Finally, in this critical moment, I am deeply begging to the mayor and TLC: please fix our problems. We want to serve again smilingly. Please come to speak with our great leader Ms. Bhairavi Desai.

I want to live happy with my lovely family. I have 3 children. They are the wealth of this great country. They are brilliant. If I die, they cannot survive. They are always crying for me. So please help us.

Thank you Transportation Committee for giving us opportunity to speak.

Thank you and please rebuilt our taxi industry,

Suves

Tarsem Lal – TLC's Medallion Relief Program Written Testimony
Hearing Date: 10/8

My name is Tarsem Lal and I am a yellow cab medallion owner who has worked with the TLC for the last 31 years. Throughout my years of driving, the TLC has recognized me for providing honest and excellent service to passengers. Even during the 9/11 crisis, I had put my health at risk to go to ground zero and provide free rides to first responders and others. My plan was to retire with a medallion for financial security but instead — just like thousands of other drivers — I am facing crippling debt of approximately \$615,000. The TLC made false promises and were very aware of the fact that they were selling medallions at inflated prices. I had been working 6-7 days a week, approximately 10-12 hours a day just to make my monthly payment for my medallion. If that wasn't bad enough, the pandemic added further financial strain to the issue, forcing myself and others to choose between earning money or keeping my health and wellbeing. I've known several fellow drivers who have ended their lives because they didn't see an end to their financial hardship. If drivers like myself and others were able to come together during a time of need for the city, the city should be there to help us as well and provide the debt relief we all desperately need.

Thank you

Tarsem Lal

end cabbie debt

I'm writing today to urge you to support the Taxi Drivers in forgiving their debt. Do the right thing and support these iconic workers of NYC. It's completely unfair to saddle them with mountains of debt. Use your power to protect these people who make NYC great. No more suicides. No more medallion debt! Give us a path to recover as the great city we are.

Yours,
Vanessa Thill
624 Myrtle
brooklyn NY 11205

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Vanessa Thill