

Testimony of Congressman Adriano Espaillat
United States Congressman on behalf of New York's 13th Congressional District
New York City Taxi and Limousine Commission (TLC)
February 12, 2018

Overview: During his testimony, **Congressman Adriano Espaillat (NY-13)**, whose congressional district includes Harlem, East Harlem, northern Manhattan and the north-west Bronx, will address the need for better policies in response to the growing influx of new driving services, rideshare apps and challenges New York City taxi drivers face with the current licensing and regulation structure of the New York City Taxi and Limousine Commission (TLC).

Introduction:

The New York City Taxi and Limousine Commission (TLC) was created in 1971 as the oversight commission responsible for the licensing and regulation of New York City's medallion (yellow) taxicabs, for-hire vehicles (community-based liveries, black cars and luxury limousines), commuter vans, and paratransit vehicles.

The Commission established a board that consists of nine members, eight of whom are unsalaried commissioners. While the paid Chair Commissioner presides over regularly scheduled public commission meetings and is the head of the agency, the TLC maintains a staff of approximately 600 employees assigned to various divisions and bureaus.

The TLC licenses and regulates over 50,000 vehicles and approximately 145,000 drivers.

The Commission is also responsible for performing safety and emissions inspections of the more than 13,587 medallion taxicabs three times each year, as well as biennial inspections of all TLC-licensed for-hire vehicles, making the Commission the most active taxi and limousine licensing regulatory agency in the United States.

As of 2015, there were a total of more than 143,000 licensed taxi and for-hire vehicle drivers in New York City. Including 13,587 yellow taxis in NYC and approximately 38,319 yellow cab drivers; 7,676 street hail livery cabs in NYC and approximately 13,455 street hail livery cab drivers.

Additionally, there were 38,791 black car for-hire vehicles; 21,932 livery cab for-hire vehicles; and 5,881 luxury/limo cars.

There were also para transit and commuter van operators in New York City, including 288 commuter van drivers for 584 vehicles; and 2,206 para transit drivers for 1,123 vehicles.

Current Challenges:

Taxi drivers face economic deprivation created by the fairly new influx of driving services and rideshare apps like [Uber](#), [Lyft](#), [Juno](#) and [Via](#).

It is difficult to distinguish between each of the rideshare services considering that many drivers provide service for multiple companies. However, it is estimated that there are nearly 56,000 Uber vehicles in operation; just over 28,000 Lyft vehicles in operation; 17,038 Juno vehicles in operation; nearly 6,000 Gett vehicles in operation; and nearly 4,000 VIA vehicles in operation.

According to a 2017 New York Times article, Uber and Lyft cars outnumber yellow cabs in New York City [four-to-one](#). In 2010, yellow cabs made 463,701 daily trips and brought in \$5.17 million in daily fares during the month of November alone. Six years later, the numbers had dropped and in November 2016, yellow cabs made an average of 336,737 daily trips, and brought in \$4.98 million in daily fares, according to city data. In contrast and according to the same report, Uber provide an average of 226,046 rides per day in October 2016. Lyft came in a distant second, with 35,908 rides, according to city data, while Via had 21,698 rides; Juno had 20,426 rides; and Gett, which launched in the city in 2014, came in last with 7,227 rides.

Why do individuals drive taxis? What are some of the benefits for driving a taxi in New York City? Firstly, taxi drivers have the ability to work hours rather than the nine-to-five routine, while they can easily find work almost anywhere as it is regular work. Secondly, higher fares favor taxi drivers, especially during the weekends or busy times of the week. In addition, drivers are paid immediately and often are able to hold their earnings in their hands. Thirdly, the taxi industry was developed for and has long established practices that were developed to protect and create relative stable income, unlike many new technology and rideshare services.

However, the influx of services like Uber has overtaken the industry and market. The problems facing the city's taxi drivers have become so bad that many taxi drivers roam around the city unable to pick up fares. Drivers face fear, isolation and increased anxiety in their ability to make a living – their survival and livelihood.

The economic hardship that car services like Uber and its competitor services have created is a stark reality for many NYC taxi drivers. The unconventional standards and unrealistic

expectations for drivers in New York City has caused many individuals and long-term drivers to feel overwhelmed and anxious.

Consider the economic strain and financial challenges that many drivers face. Between 2013 and 2016, the gross annual car service bookings of full-time yellow taxi drivers declined, falling from an annual salary of \$88,000 a year to just over \$69,000, resulting in increased bankruptcies, foreclosures and evictions that plague taxi drivers with other mounting existential difficulties.

Moreover, medallions, which grant the right to operate a taxi in New York City, are now depreciating assets and drivers who borrowed money to pay for them, once a sound investment strategy, now many find themselves deeply in debt. New York cab drivers are some of the hardest working drivers in the nation, entrusted with the duty of getting riders to their destination safely and swiftly. They paid a premium to operate their yellow cab service throughout the city, and at no fault of their own, the value of their medallions has plummeted while leaving many vulnerable and unable to pay the now-exorbitant loan payments due to market conditions.

Conclusion:

This is not an indictment of innovation. The TLC touts on its website that it is dedicated to fostering an environment that allows the for-hire industry to provide safe, innovative and accessible service. Yet, the TLC has failed in its 1.) efforts to incorporate new and open technologies, 2.) provide better accessibility for customers, 3.) create competitive rate structures for drivers, and 4.) present transparency easily available data such as trip records, fares and routes. For-hire and livery vehicles face exorbitant fines due to the TLC, including fees and fines for not keeping detailed records of passengers and trip records.

Having outlined several issues of concern during my testimony today before the TLC, I offer the following recommendations for consideration to ensure transparency, accountability and innovation for New York City taxi, for hire, livery, e-hail and rideshare services:

1. **Dismantle the TLC** and create a new entity that reflects the innovation and new modes of transportation including rideshare application such as Uber, Lyft, etc.
2. Establish new rules and regulations that **incorporate modern rideshare platforms** to equalize the market for all driving competitors and better streamline the process for customers.
3. **Create a stand-alone enforcement unit for the TLC.** The current system of enforcement and court system is under the purview of the TLC and does not provide car operators and drivers a due process and does not allow for a proper oversight process to take place.
4. Find solutions to **medallion debt** that New York cab drivers face and allow greater flexibility to ensure continued operation of their cabs and the ability for them to repay their loans.
5. **End Dual Use Green Cabs** by preventing them from taking pre-arranged trips and limiting them to only hail services, thus making livery and black cars the only pre-arranged services.
6. **Reduce fines** for hail rides for livery and black cab drivers and operators. Currently fines for for-hire vehicles for picking up street hails in the outer boroughs are \$500 for first offense, \$1,500 for second offense and revocation of their license for the third offense; and below 96th Street fines are \$2,000 for a first offense, \$5,000 for the second offense and \$10,000 and revocation of license for the third offense.

7. **Cap the number of operating vehicles** that can operate in New York City and the number of bases that can exist in the city.
8. **Create greater regulation for rideshare services** such as Uber, Lyft, and other e-hail transportation services.

Finally, I want to bring greater attention to the troubling stories of entrapment practices being conducted by the roughly 170 enforcement inspectors within the TLC. Many operators of for-hire vehicles claim to have received large fines for picking up seemingly “in-need” individuals only to find out that the prospective passenger was a part of a larger network of fine distribution practices.

I am deeply troubled by the fact that of the top ten enforcement summonses given out by the TLC in 2016, five of them were specific to for-hire vehicles only, the most of any TLC license type. As a part of my continued efforts to ensure that all taxi and for-hire vehicles are treated equally, I will be sending a letter to the Department of Justice (DOJ) to request an investigation of selective enforcement, entrapment practices, and discrimination within in the TLC.

It is my belief that the recommendations put forth to dismantle the TLC and rebuild the commission with a new agency will help create an equitable market for all NYC taxi and for-hire drivers and owners, as well as rideshare services, that will ensure transparency, accountability and innovation for NYC drivers and the customers they serve.

Thank you for your time and consideration.