

**Testimony of Commissioner Meera Joshi
NYC Taxi and Limousine Commissioner/Chair
City Council Committee on Transportation**

January 12, 2015 Testimony on:

**Int. No. 47, in relation to removing
the off-street parking requirement for base station licenses.**

**Int. No. 556, in relation to prohibiting for-hire
vehicles from charging excessive rates.**

Int. No. 559, in relation to agreements between livery base stations.

**Int. No. 615, in relation to allowing the taxi and limousine commission to consider
improved trouble lights for use in licensed vehicles.**

Good morning. I am Meera Joshi, Commissioner and Chair of the New York City Taxi and Limousine Commission. Chair Rodriguez, members of the Transportation Committee, and members of the Council, thank you for the opportunity to speak today on four bills that directly affect operations of industries licensed by the Commission.

Int. No. 47

Int. No. 47 would eliminate a longstanding requirement that each livery base provide off-street parking for fifty percent of its affiliated vehicles. Those who crafted the existing requirement likely hoped that the dedicated off-street parking would reduce street congestion around bases. However, there is no requirement that drivers use this parking, and we hear anecdotally that many drivers do not use it because it is more practical for them to park elsewhere. Some drivers park at their homes when they are not working or at locations convenient for their next passenger pickup when they are between calls. Unfortunately the requirement does not achieve its intended purpose, and we support this legislation, which eliminates the requirement.

We recognize that sometimes neighborhoods have real concerns with drivers who congregate on the street and occupy on-street parking. This is the case even with the existing requirement, which suggests that it has not solved the problem. Car service drivers are allowed to park on the street so long as they follow all posted regulations. However, they are of course *not* allowed to engage in activities like littering or making noise above legal limits. When we hear about these issues, we find that the most effective means of addressing them is to work with the key actors in the community. We speak to the drivers' base to engage management's support in correcting the behavior, we contact the local precinct so police can respond if necessary, and we apprise the local community board of the complaint and the City's actions to remedy it. We find that community car service bases have vested interests in maintaining

strong relations with the neighborhoods they serve, and their partnership, along with enforcement when necessary, is the best way to ensure that drivers are good neighbors. We will continue this practice and build on it should Intro. No. 47 pass.

Int. No. 556

New York City for-hire transportation is a complex, dynamic industry. It serves a large, diverse, and growing passenger base through channels ranging from calling the local car service, to booking an airport pickup online, to ordering a car through a tap on a smartphone. Overall this is a really good thing: New Yorkers have more options for getting where they need to go than they did just a few years ago.

With this growth and change comes a need to reexamine the regulations that surround this industry. Whereas, traditionally our approach to regulating pricing in the for-hire industry has been to let market competition, among an uncapped number of car service companies, drive pricing and customer service levels—something that for many years worked well and provided New Yorkers with a full range of choices—recent changes, such as apps that engage in surge pricing, have caused us to give this topic a fresh look.

One common justification for surge pricing is that it allows bases to entice drivers to work and serve passengers in order to ensure vehicle availability when cars are scarce. However, it is hard to think that vehicle scarcity is today's reality. In 2012 there were 38,000 For-Hire Vehicles (FHV) and 52,000 FHV drivers. Those numbers have ballooned in two years to approximately 50,000 FHV vehicles and 70,000 FHV drivers. And therefore, one of the fundamental reasons for unfettered surge pricing—an insufficient supply of drivers—likely no longer exists. I am also concerned that apps could actually use their technology to perpetuate a false scarcity of vehicles, leaving passengers with the impression that aggressive surge prices are justified—and that accepting them is the only way home—when they may be the result of artificial inflation.

Although in general I believe that companies and consumers should be able to agree upon a price and proceed with a transaction so long as both are willing, I believe there is some breaking point—what comes to mind is the example of a young woman in Baltimore who took a 20-minute Uber ride home late at night on her 26th birthday that cost her \$362. It is situations like these when passengers in a vulnerable position may need some protection from companies taking advantage of their situations.

A final concern of mine that I'm sure is nearly universally shared is when passengers receive a bill at the end of a ride that is far more expensive than they expected when they stepped into the car. Most of us have had experiences when we have paid a high price for a service and believe it was well worth the cost, but it is essential that the City help ensure that consumers have true transparency about the prices they will be paying.

For all of these reasons, I strongly support regulation surrounding surge pricing to protect passengers from egregious pricing. However, I am not able to specifically support Int. No. 556 for several reasons:

- As drafted, the legislation would penalize the driver for charging a surge price at a level that is higher than permitted. We have to remember that it is the base, not the driver, that sets the fare. Therefore, the appropriate responsible party for legislation going forward would be the base.
- We also have to remember that developing a standard for how high is too high is a very complex task. Creating an objective standard that will work for the majority of passengers requires a baseline understanding of prices generally, and then the point at which people think they are being “ripped off.” I cannot tell you today that I know what that breaking point is, nor do we have much of the underlying information that would help determine it. To create a regulatory framework that is meaningful and truly meets the City’s goals of protecting passengers requires a carefully crafted policy. It is well worth our time to do more systematic data collection, serious research and broad community outreach on this issue so we can be confident that we are getting the policymaking right.
- We have to take a hard look at what specifically we are trying to achieve and any unintended consequences that may result. We would need to think if the cap would be an overall maximum charge permitted by *any* base licensed in NYC, which could be difficult given the diversity of prices charged by luxury versus mass market businesses, or whether the cap would be linked to the prices that a specific base typically charges. With the latter option, as drafted in the legislation, the “normal range of prices” would have to be recalculated for each base every day and can include the previous day’s surge pricing rate, which would mean that the “normal range of prices,” and the subsequent allowable surge pricing rate, could increase every day to the point at which the bill would be self-defeating.
- Because passengers may not always know when they have been overcharged, true enforcement of a surge pricing cap requires TLC access to fare data so that it can be continuously analyzed to set baseline prices against which surge levels can be measured and continuously reviewed for violations. New TLC rules to increase accountability in the FHV industry call for regular trip record submission to TLC, but currently the fare is not a field in the required dataset.
- Finally, I think most recognize that, within reason, dynamic pricing can be a good thing. It is common in other transportation industries, such as trains and airlines, and used by other businesses, such as restaurants that offer early bird specials, to smooth consumer demand between peak and off-peak times. I do believe that at certain times when drivers are choosing between working a busy night or doing something else, the availability of additional income opportunities tips the scales towards working, creating more service availability for passengers. Therefore, I recommend that legislation going forward strike a balance between protecting passengers from outrageous pricing and allowing dynamic pricing to provide the benefits of more service availability at times when scarcity could become an issue.

We have also begun working on a set of TLC rules that would require additional price transparency so that passengers who are making a choice to take a ride, regardless of its cost, have the information they need at the get-go to make an informed decision. For livery

passengers, who are entitled to a binding fare quote at the beginning of the ride, we are clarifying rules to ensure that any base, including an app-based base, is required to provide the passenger with the opportunity to provide a destination and receive a binding fare quote each and every time he or she requests a ride. For passengers ordering black cars through apps, which do not have a binding fare quote requirement, we are also exploring what requirements we need to put in place to ensure that passengers have a very clear sense of what it is going to cost *before* they book the ride. Of course, we welcome your input as to what tools we could best employ to ensure price transparency. We look forward to working with Council on all of these issues and appreciate your attention to this important matter.

Int. No. 559

Requiring agreements between bases wishing to dispatch one another's affiliated vehicles is something the Commission considered last year. After extensive conversations with base owners, FHV drivers and workers' compensation experts, along with field testing and a public hearing on the matter, we came to have significant concerns with the agreement requirement and declined to move forward with it. I would like to share these with you.

We originally considered imposing an agreement requirement out of concern that there may be a gap in workers' compensation coverage for drivers when they were dispatched by bases other than their home bases. But after over two months of information gathering, it became clear that an agreement between bases was not a prerequisite for coverage in either the black car or the livery car sector, so ensuring workers' compensation coverage was no longer justification for an agreement requirement.

Through the process we also came to have a real concern that a base agreement rule would give insufficient deference to the legal status most drivers have as independent contractors rather than base employees, and that it could limit drivers' earning opportunities. The downside for drivers of not being base employees is that the base does not provide them with many common benefits of employment, such as healthcare and sick leave. The upside, however, is that drivers have a right to greater flexibility to choose when they work and who they work for. Requiring base agreements would diminish the upside of their independent contractor status without gaining them any of the benefits of employment. Practically, a driver affiliated with a base that did not have agreements with other bases—either because it did not wish to enter agreements or because the agreements offered by other bases were deals it could not accept and still remain profitable—would lose his or her freedom as an independent contractor to earn additional income by working with other bases, even during times when he or she had made no commitment to fulfill trips from the home base.

Additionally, although agreements may at first glance seem like a way to protect smaller bases from having their drivers' time preoccupied by dispatches from other bases, the requirement could actually end up hurting them by making it more difficult for small bases to retain drivers. Some smaller bases do not always have enough business to occupy their affiliated drivers or enough market power to enter into an agreement with another base that has terms friendly enough for the smaller base to accept and remain profitable. Allowing drivers affiliated with

small bases to supplement their income by taking trips from other bases—without needing the base owners to come to an agreement—could actually help smaller bases retain drivers rather than lose them to larger, busier bases.

As to Int. No. 559 specifically, imposing the agreement requirement on the livery industry *only* may create an imbalance that will draw drivers away from the livery industry and to the black car sector where drivers have increased opportunity to work. For these reasons at this time we are not supportive of mandating livery base agreements.

Int. No. 615

We are grateful for Council's support when we proposed updating the "trouble light" requirements. The proposed legislation would remove the outdated "trouble light" specifications and give TLC and the industry the freedom to invest in the best possible alert technology to protect drivers in distress. Notably, this is the second driver protection initiative undertaken by the Council within four months.

Once enacted, the TLC would be able to explore systems that go far beyond the current blinking light and create trouble light specifications that could be more useful to law enforcement and ultimately keep drivers safer. Thank you for proposing a simple change to the Administrative Code that could have a positive impact on driver safety.

This concludes my testimony on the proposed legislation. At this time I would be happy to answer any questions you may have.

City Council Transportation Hearing

January 12, 2015

Good morning Mr. Chairman and other Honorable Members of the Transportation Committee.

My name is Derrick Warmington and I am the President of Rose 'N' Dale Car Service, Inc. We are located in Rosedale, Queens, New York. I am also a member of the New York City Independent Livery Owners Corporation. This organization represents Caribbean owned bases primarily in Brooklyn and Queen.

I am here to give testimony on three items on your agenda:

- 1) Price Surging
- 2) Agreement Between Bases
- 3) Removing Off-Street Requirements

Price Surging

As one of its prerequisites for base license renewals and for new base licenses, NYC TLC requires " Zone Rate Schedule Map or Rate fare book, whichever is appropriate:

Each base station is required to maintain, on file with the TLC, a listing of current rates of fares. The fares can be structured through zone via maps or can simple be in the form of rate of fare book with a listing of possible destinations and corresponding fares.

Rates of fare books should also include a calculation for determining rates of fares that are not listed in the fare book. If at any time during operation rates of fares are modified, the base station is responsible for immediately notifying TLC by submitting a revised rate of fare book or zone map." This requirement was established to prevent overcharging. TLC penalizes Livery bases and their drivers caught overcharging. Spontaneous haphazardly price surging does not fit in the TLC guidelines.

Unfortunately, it is common knowledge that there are APP bases that balloon fares at their own convenience. It is said that UBER, the mother of all APPs, charges "In some cases, seven to eight times the prices for rides what they would have been on a clear night". While APPs are allowed to surge their prices with laxity and impunity, Community Car Services do not have this luxury or unabated freedom.

In good or bad weather, heavy or light traffic, Community Car Services do not practice surge pricing. Price surging will have disastrous economic effect on riders who have grown accustomed to fixed fares. There are seniors on fixed income who over the years have grown accustomed to paying fixed fares; they have developed a relationship with their local bases and drivers. There are single minimum wage workers who must travel to work during inclement weather; price surging especially when it is unregulated and unstructured will only bring confusion to these struggling riders.

If Price Surging must be allowed, then the TLC and the City Council should work with FHV base representatives to develop a system that is fair to all, a system that is well structured. Such a system must create a level playing field and should not lead to economic abuse of riders.

Agreement between bases

In order for drivers to be dispatched between bases there needs to be agreement between the individual bases. While the amendment is being addressed, the question of accountability must be clarified. These include Workers Compensation, consumer complaint and any infraction of NYC TLC regulations. The amendments should also require that when a driver transfers from one base to another that the new base informs the old base.

Removing of off-street parking

Not only are many bases situated in communities where there is limited or no off-street parking facility, many of them were in existence before the off-street parking rule came into effect.

In many cases, Bases have leased off-street parking facilities but rarely use them. This is so because the vehicles are constantly on the road, furthermore, most of these vehicles are owner driven. These drivers park their vehicles at their homes when the vehicles are not in service. The requirement of off-street parking as a prerequisite for new base licenses or base licenses renewal can inflict serious and unnecessary economic hardships on bases.

I urge the Transportation Committee to recognize the important role the Livery industry plays as an economic engine in local communities. Each base that closes robs drivers, base owners, dispatchers and their families of their livelihood.

The Independent Livery Owners Corporation gives its support in removing Off-street parking as a requirement for base station licenses.

Presented by: Derrick Warmington



Taxicab Service Association, Inc.

Joint Testimony of the Black Car Assistance Corp. (BCAC), Committee for Taxi Safety (CTS), Global Transportation Network Consultants, Inc. (GNTC), League of Mutual Taxi Owners Inc., LOMTO Federal Credit Union, Melrose Credit Union, Metropolitan Taxicab Board of Trade (MTBOT) and the Taxicab Service Association, Inc. (TSA) – January 12, 2015

Good morning Chairman Rodriguez and fellow Council Members of the Transportation Committee. My name is Ira Goldstein and I am the Executive Director of the Black Car Assistance Corp. This testimony is being submitted on behalf of the following organizations: the Black Car Assistance Corp. (BCAC), Committee for Taxi Safety (CTS), Global Transportation Network Consultants, Inc. (GNTC), League of Mutual Taxi Owners Inc., LOMTO Federal Credit Union, Melrose Credit Union, Metropolitan Taxicab Board of Trade (MTBOT) and the Taxicab Service Association, Inc. (TSA). These groups cumulatively represent over 10 thousand medallions, 26 thousand taxicab drivers, thousands of other employees such as dispatchers, mechanics and support staff and lenders that provided financing of approximately 11 thousand medallions. Furthermore this group before you also represents over 100 for hire vehicle bases, approximately 9,000 FHV drivers and vehicle owners and approximately 2,000 other workers in all 5 boroughs of the City.

Accompanying me at the table are representatives from all of the aforementioned organizations. Any of us would be happy to answer any questions that the committee may have regarding our testimony upon my conclusion.

We support the spirit and intent of Intro. 556 which is meant to prohibit for hire vehicles from taking advantage of the riding public by charging grossly excessive rates at times when their services are needed the most. However, we believe that a few changes in the language of the Intro. would better serve the purpose of the Intro. and make the Intro. a true pro consumer protection law.

First, the law should include a penalty on the base and vehicle owner in addition to the driver. In all segments of the for hire vehicle industry, the driver should only be charging what the dispatching base is instructing him or her to charge. In fact in instances when a credit card is being used, the amount of the fare is controlled by the base.

We believe the calculation of the excessive charge should be based upon a "normal" fare for the base rather than a normal range. The normal fare can be more easily monitored by reviewing what the base has actually charged its customers for similar rides over a specific time period, say 2 or 4 weeks. This way the public will truly know what the "normal" fare is.

We also believe it is critical to give the Taxi and Limousine Commission (TLC) the necessary tools to enforce an anti-surge pricing law. TLC rules currently state that for hire vehicle bases will be required to submit all trip data with the following data points: address and time of the pick-up and drop-off, the TLC license number of the vehicle and the TLC license number of the driver.

All FHV bases should be required to submit a breakdown of the total fare including the rate of fare that was used to calculate the fare. The vehicle owner must also be held responsible for the submission of its own trip sheet data to ensure that they affiliate with a responsible base that is compliant with the applicable laws and rules. The TLC already has the authority to suspend licensees who fail to provide required information to the agency. These additional steps would ensure complete transparency and compliance as is required of other TLC regulated industries as well as a greater level of consumer protection.

It has come to our attention that some drivers affiliated with a base that uses "surge" pricing on a regular basis have learned how to game the system. Simply put, surge pricing is based on the economic theory of supply and demand. These drivers have the ability to control supply when they know demand is typically high by simply withdrawing their services from the market. Once the automated dispatch system of the base recognizes the disparity between the supply and demand and enables surge pricing, these drivers can log back into the system once the surge pricing is in effect. At this point the passenger is locked into a commitment to take the ride. In light of all the issues above, we believe that the amount of the surge or "premium" pricing for peak demand times should be limited to 20%, not 100% above the normal fare. Anything above 20% is irresponsible and condones price-gouging. We acknowledge that there is a place for peak pricing. It exists in in the MTA's commuter rail lines and Amtrak. In fact there is 50 cent night surcharge and a one dollar evening peak hour surcharge— in taxicabs which have been in place for years and has been successful in encouraging more drivers on the road during these hours. While we recognize the Greenfield bill is an earnest attempt to reign in the robbery that occurs at 200%, 300%, 400% or more, it does not go far enough - surge pricing that is not limited as we suggest to no more than twenty percent of the base fare constitutes an abusive and predatory practice.

We firmly believe that a 20% premium set by a base, not a driver, should serve as a sufficient incentive to encourage drivers to operate during peak times without taking advantage of the riding public.

As to Intro 559, this group before you offers its complete support to requiring the reestablishment of agreements between livery bases before a second base can dispatch a vehicle affiliated with another base so long as black car and luxury limousine bases continue to be exempt from this requirement in accordance with current TLC rules. Requiring livery bases to have agreements between bases to determine when authorized vehicles can be dispatched from another base allows drivers greater freedom to conduct additional work while providing an assurance to the base operator that they will have vehicles and drivers when they have trips to fulfill for their customer base.

With respect to Intro. 615, the assembled industry representatives before you today are in favor of this Intro. which would allow the taxi and limousine commission to consider improved trouble lights in order to improve vehicle operator safety. Taxi and liveries are currently equipped with "trouble lights" that allow drivers to notify the public and law enforcement if they are under assault or are otherwise endangered while operating their vehicle. Currently, the Administrative Code limits the type of light that may be used to so-called turn signal "lollipop" lights. This legislation would remove the requirement that only "lollipop" lights be used as trouble lights, enabling the use of other more efficient and effective technologies.

Finally, after conversations with Chairman Rodriguez, the group before you today is requesting that the City Council enact whatever measures (resolution, legislation, request for rule change) they deem appropriate to rectify the situation created by the failure of Transportation Network Companies such as Uber, and Lyft to obtain approval from the New York State Department of Agriculture, Bureau of Weights and Measures to use an app which relies upon GPS technology as a legally certified distance and time measurement device.

The New York State Department of Agriculture and Markets Bureau of Weights and Measures assures consumer protection by regulating measurement devices to ensure that a customer get what they paid for, whether it is 10 gallons of gas, or a half pound of chicken. Consumer protection must consistently extend to the for hire vehicle and taxi industry as it does every other industry in the State of New York.

Attached you will find a position paper by a former employee of the New York State Department of Agriculture and Markets Bureau of Weights and Measures, William Fishman. Mr. Fishman, a retired 38 year veteran of the New York State Department of Agriculture and Markets Bureau of Weights and Measures, states that testing and regulation of distance measuring devices such as taxi meters is a proper function of the New York State Department of Agriculture and Markets Bureau of Weights and

Measures. Accordingly, the TLC cannot approve a taxi meter, or in this case some type of distance measuring device unless it has been approved by the Bureau of Weights and Measures.

To date no bench or field testing has been done on any of these "app" Global Positioning Satellite (GPS) based distance meters. It is unknown if these devices are accurate for the purposes of measuring a trip.

The City and the TLC has gone to great lengths to avoid the fraudulent practices of unscrupulous cabs drivers in the past where drivers had clickers or hot seats which increased the unit amount on a meter. Taxi meters now undergo beyond reproach testing and monitoring to ensure the riding public is getting what they paid for. Only licensed taximeter shops may open, repair or install a taximeter. The meters are tested multiple times a year. Every twist tie that is used to secure the casing of a meter is numbered inventoried and audited by the TLC. Yet the "apps" go completely untested. I want to make clear that we are NOT alleging that the "apps" are not accurate. What we are saying is that legally, the "apps" must be tested by the New York State Department of Agriculture and Markets Bureau of Weights and Measures for proper usage and accurate functionality to measure time and distance.

Please note that this diverse group of organizations before you represents multiple different industries and different segments of some of those industries. Rarely, if ever, has a coalition of TLC regulated industries of this size stood this body in agreement on proposed legislation. We applaud you Chairman Rodriguez, council members of the Transportation Committee and sponsoring council members for putting forth a legislative package that provides for improved consumer protection, enhanced driver safety and industry stability.

Thank you for giving us the opportunity to provide this testimony. We are ready to answer any questions at this time.



GLOBAL TRANSPORTATION
NETWORK CONSULTANTS, INC.

FOR THE RECORD

Public Testimony

City Council

Transportation Committee

January 12, 2105

Guy B. Palumbo
Executive Vice President

GTNC - Represents						
	# Bases	# Vehicles	# Drivers	# Owners/Staff Managers	# CSR Disptachers	# Others (Mechanics etc.)
Direct Bases	20	2,350	2,369	82	163	3
Associations						
ABOA	19	732	1,097	92	127	6
NYCFLO	37	891	1,511	121	144	59
Totals	76	3,973	4,977	295	434	68
As of 12/31/2014						

Good morning, Mr. Chairman and members of the Committee.

I am Guy B. Palumbo, of Global Transportation Network Consultants, Inc. We consult or represent a diverse group of Livery, Black Car, Luxury and Boro Taxi bases and associations.

We would like to present six (6) items for your consideration, not only for the Intros before you, but some food for thought in order to have a level playing field.

Surge Pricing:

The TLC requires that bases provide their rates in order that the riding public is not taken advantage of. When a consumer makes a complaint, the TLC checks these filing to see that the base has not charged more than what was filed for the record. If a base, in most cases APP type rates are filed and listed as a maximum amount and when the trip is completed the cost is always under that number, thereby resulting in the complaint never being upheld. A base (APP) should never be allowed to file such a rate structure. Under this procedure a base (APP) could list a trip from 42nd Street to 14th Street as \$1,000 but when an actual trip is completed the charge could be \$990. If a complaint is filed for this charge, the base (APP) would not be in violation of the rate that was posted with the TLC. One of the Intros is for a “surge” price that could double. What would be the outcry in the MTA decided that during a snow storm or traffic jams that the bus fare would double? A 100% increase is entirely too much for any business. This is plain and simple price gouging.

We would suggest that the TLC develop a fairer method of establishing logical, acceptable rates while at the same time not try to establish rate or price fixing.

There are ways this can be accomplished if proper data was provided as to average costs. Under the current method, the consumer has n real recourse.

Accessibility Needs:

All Liver, Black Car and Luxury bases are required to provide equal service and are given \$1,000 fines for failure to provide such service. This requirement does not exist for APP type services. There is no way on these APPS for someone to even request an accessible vehicle and thereby avoid the TLC oversight. There needs to be a requirement that all FHV service providers no matter what type of system they use to dispatch the vehicle to include any APP, that accessible vehicles can be requested.

Data Reporting:

No organization should be exempt from providing such data. We suspect that there are reasons why a base does not want to meet this requirement.

1. Dispatching unregulated vehicles – “straight plates” – non-TLC licensed
2. Improper “cross dispatching” of vehicles based on TLC Rules and worker’s comp
3. Sharing data with internet and sponsored affiliates with open APIs and its use for data mining

The riding public should be made aware that their personal trips, locations and personal preference are being shared with other firms and be able to refuse such data sharing. This is a privacy issue which has to be considered.

The Council should exercise greater oversight in the data reporting by requiring TLC data collection every 90 days and submitted to the Council. The TLC only requires 5 data points but additional information is needed to properly monitor where and how services are provided.

Base Agreement:

Bases need to be able to plan and service their passengers and accounts. A base owner needs to be able to know if their drivers will be available. If it is snowing and a driver is affiliated with base X but has also downloaded an APP, they will not take base X's call knowing that they can get Surge or Other Premium trips by waiting a few moments. The result is that base X cannot service their community or client. By requiring that the APP company and base X agree both sides are aware of the situation. If only one side knows then the other is at a total disadvantage and has to suffer the consequence which will eventually lead to a serious loss of business and possible closing. The end result is the APP company eventually becomes a monopoly.

Prearranged or Hail:

The Liver, Black Car and Luxury segments of the FHV industry are supposed to "prearranged" service. To the best of my understanding this is to include trips in advance for other possible days or times of the day. Unless an APP provides this type of service then what is it? Some will say it is an "on demand" or an "ASAP" service. On numerous occasions APPs have been called an "electronic hail". Anything in the HAIL category falls into the normal Yellow/Boro taxi and should be treated as such. The TLC needs to look further into the type of service APPs provide and determine which Rules apply.

GPS vs. Meter:

The use of GPS in any way to determine the distance, cost or waiting time of a trip is in fact a "virtual meter" and must be approved by NYS Weights & Measures. There needs to be a "bench test" and accepted by NYS. Yellow/Boro taxis are required to have sealed tags on meters. If the GPS and related software are off by X% will result in overcharging of the customer. Again, this is an example of no consumer recourse. Who knows if the GPS or other method of calculating a fare is correct? Boston has ruled APPs are unlicensed because they are not a certified measuring device. TLC Rules needs to be established for APPs as for Taxi meters.

Thank you for allowing this testimony.

**New York City Council Committee on Transportation Hearing –
January 12, 2015
Committee for Taxi Safety Testimony on Intro's 47, 556 and 559**

Good Morning Chairman Rodriguez and members of the Transportation Committee, my name is Tweeps Phillips Woods and I am the Executive Director of the Committee for Taxi Safety, whose members include the yellow taxi medallion licensed agents which manage approximately 20% of all taxi medallions. Thank you for the opportunity to present our testimony to you today.

I am here today to comment on the proposed Intro's 47, 556 and 559 but also the Committee supports the joint Industry testimony submitted to you today.

First, it is important to note that not one of these bills do anything to increase accessible service in New York. Just last month the TLC Commissioner testified that 9 times out of 10 a wheelchair user is unable to get service from a livery or black car. These proposed bills allow for the continued unfair and discriminatory practice of liveries and black cars not providing all New Yorkers service.

In regards to Intro 47 the Committee considers this bill both ill conceived and ill timed. As you are all aware from prior hearings, the incursion into the NYC transportation market by Uber is causing enormous transformations within the industry, with the results of that infiltration still yet to be determined. We do know that medallion values have dropped 30% and revenue to the City is being negatively impacted. The City has been forced to postpone not only a sale of medallions, but also the issuance of additional green outer borough licenses. The City has not only lost sales revenue, but also the revenue generated by medallion transfers, license applications, and a myriad of other revenue

sources produced by the yellow medallion industry-money that goes into the general fund. Additionally, the State is losing revenue due to the loss of market share resulting in decreased taxi fare subsidies provided to the MTA.

A complaint that we have repeated over and over again is that everyone should play by the same rules and on an even playing field. This proposed bill continues to allow Uber to operate without regulation and would cause further inequality between the yellow medallion industry and the black car industry.

To gain entrance into the yellow medallion market, individuals had to pay more than \$1,250,000. In contrast, to gain entrance into the transportation industry as conducted by Uber, there is no entrance fee and pursuant to this proposed legislation, there would only be a license fee per base, not per vehicle, of not more than \$500.

All Taxi and Limousine Commission licensed agents, those who manage yellow medallions, i.e. the fleets and management companies, are required by regulation to have off-street parking available. Similarly, black car bases are also required to have off-street parking available. However, this bill seeks to eradicate the requirement not for the entire for-hire industry, but only the black car industry, i.e. Uber.

At last count Uber had more than 12,000 vehicles, if you eliminate the parking requirements, then all black car vehicles will need to be cruising which will have an immediate negative environmental impact, vehicles cruising will also add to already densely overcrowded streets, potential increase in accidents, increase in traffic in residential neighborhoods and loss of already very limited availability of residential parking.

Another very important issue that is not addressed by this intro is the lack of additional proper liability insurance needed to cruise the streets. Black cars and liveries have insurance premised on dispatch service not cruising. This intro would authorize and in effect require cruising, resulting in insurance companies potentially disclaiming insurance coverage for accidents.

In the past, we have urged both the TLC and this Council to restrict both the number of bases and the number of vehicles each base is allowed. Removing parking requirements will allow segments to continue to grow without any restrictions whatsoever, further exacerbating the inequality in regulations that exists between the yellow medallions and the rest of the industry, which will ultimately cause more loss of revenue to the City and a further decline in the market value of the medallions.

With reference to Intro 556, we appreciate the intent of this bill in its attempt to protect the consumer from price gouging otherwise known as "Surge Pricing or Dynamic Pricing" however this bill goes after the wrong target by seeking to penalize the driver instead of the base. The price of the trip it is set by the base. So in the case of Uber, they are able to charge whatever they want rain or shine. Contrast this to the Yellow Taxi Industry and the maximum increase that can be charged is \$1dollar in addition to the metered fare during times of peak demand. We believe this would actually be the fairest practice. Further the methodology in proposed in this intro is flawed because it is easily manipulated to the detriment of the riding public.

Intro 559 we support the intent of the bill. In addition we would like to suggest that this agreement actually be in writing and filed with the TLC.

Until the TLC, this Council, and the City can develop a comprehensive plan that allows all of the for-hire segments of our industry to operate on a level playing field and for regulations to protect all segments of our industry, we believe that piecemeal legislation clearly favoring just one segment of the for-hire industry, should not be approved.

Thank you for your time today.



Testimony of United Spinal Association Regarding

Intro 6047-2014

Intro 0056-2014

Intro 0059-2014

Intro 0615-2015

January 13, 2015

Presented by James Weisman, EVP & General Counsel

United Spinal Association is a national membership organization of 40,000 individuals throughout the United States, approximately 3,400 of whom live in and around New York City. United Spinal's mission is enhancing the quality of the lives of people living with spinal cord injury and disease and other mobility impairments. Founded by paralyzed veterans in 1946, United Spinal has been at the forefront of the disability rights movement in NYC, successfully suing the Metropolitan Transportation Authority (MTA) to make buses and subways accessible and create the Access-a-Ride program and the Taxi and Limousine Commission (TLC) to require new taxis to be wheelchair accessible. United Spinal's settlement agreements with the MTA in 1985 and the transit agency in Philadelphia in 1988 are the basis for the transit provisions of the Americans with Disabilities Act, passed in 1990.

When United Spinal, then called Eastern Paralyzed Veterans Association, sued MTA in 1979 for access to buses and subways, Mayor Koch and MTA leadership told the public that access to mass transit was an expensive folly, that no people with disabilities would use the bus or subway and that a demand-response system like Access-a-Ride could serve all people with disabilities for \$9 million a year. Politicians and editorial boards agreed. MTA strenuously argued for access only to "key" stations which will number slightly over 100 by the year 2020. There are 469 subway stations. Because so many stations are inaccessible wheelchair users call Access-a-Ride for longer trips, using the buses, 100% of which have been accessible for well over 20 years, for shorter trips.

Access-a-Ride costs this year are approximately \$600 million, each ride costing over \$60. This is approximately the cost of running the Metro North Railroad. Over 100,000 wheelchair users access lift equipped buses every month. Most of these trips are made at peak hours, i.e., they are work trips. Workers have discretionary income and will use taxis when they are accessible. Medicaid spends over \$200 million per year in NYC on privately owned van service for poor wheelchair users' medical trips.

Disability advocates and the courts were able to convince the Bloomberg Administration and Taxi and Limousine Commissioner David Yassky to agree to make 50% of yellow taxis accessible by 2020. Unfortunately, this decision was made by City Hall after reaching an agreement with Nissan to require new taxis to be the inaccessible NV200. This required all NV200s to be converted at a cost of approximately \$14,000 per vehicle to a rear-entry, single passenger accessible vehicle.

Taxis are an obvious alternative for Access-a-Ride and Medicaid as taxi rides are cheaper per ride than Access-a-Ride or Medicaid van service. The expected results of the Settlement Agreement reached between United Spinal and other disability organizations with the Bloomberg Administration are threatened, however, by the current Uber operating scheme. First, the Settlement Agreement incorporates the sale of new medallions as envisioned by state legislation passed three years ago. The City has budgeted medallion sale monies, however, medallion values have dropped 25% since Uber began operation. The obvious threat Uber poses to the yellow cab industry is also a threat to the mobility impaired population dependent on the implementation of the Settlement Agreement. New medallion sales would add 1600 more accessible yellow cabs to our fleet.

Moreover, the City has begun collecting \$0.30 per trip from taxi riders to subsidize the purchase and operation of accessible vehicles. Uber passengers do not pay into this fund even as Uber continues to provide little to no service to wheelchair users.

The 1600 medallions left to be sold would add \$1.6 billion to the City treasury and provide tens of thousands of rides to wheelchair and scooter users. If the medallions are not sold because taxis are

replaced by Uber vehicles, none of which are required to be accessible, the Settlement Agreement promises no revenue for the City and no transportation for those in wheelchairs.

Uber must be required to provide accessible service. In 2015, when every new building must be accessible, every new bus must be accessible and government agencies provide most of the rides to wheelchair users either directly or by subsidy, an obvious solution is to require for-hire vehicles, brought newly into service, to be accessible. This preserves the opportunity for spontaneous travel for wheelchair users but just as importantly takes away Uber's advantage over yellow and green cabs.

Currently, the accessible function on the Uber app merely directs the call to another vendor who may or may not respond in a timely manner with a lower quality, accessible vehicle that has not been crash tested.

We support the Taxi and Limousine Commission enforcement efforts to ensure that livery base operators, including those with which Uber is affiliated, provide accessible service to wheelchair users but it is clear that they are currently incapable. We suspect that Uber would rather pay fines than provide accessibility. The current statutory and regulatory scheme has created two classes of service – those needing accessible cabs cannot use Uber effectively regardless of ability to pay.

One standard should be created by the Council for all for hire vehicles. Access should be assured, not only to the yellow and green vehicles, but to all for hire vehicles, including black car services and Uber.

City by city, throughout the United States, Uber has fought access. There are civil rights lawsuits brought by people with disabilities in Texas and California. New York City, the first city in our nation to require 50% access to its taxi system, should not tolerate Uber's discriminatory and accessibility-threatening practices.

Unregulated Uber service commands higher prices for rides, pays no medallion fees and provides only inaccessible service. The Council should require vehicles brought into service to be wheelchair accessible.

COMMENTS OF **LYFT** RE: **Int. No. 556**

New York City Council Transportation Committee public hearing
Monday, January 12, 2015

Good morning, Chairman Rodriguez and Councilmembers. My name is Diana Dellamere and I am a Manager of Public Policy for Lyft. I would like to comment on the proposed legislation to cap rates for For Hire Vehicles.

Lyft uses a system of dynamic pricing that we call PrimeTime. Prime Time gives drivers a greater incentive to drive when consumers need them most. When ride requests greatly outnumber available drivers, our system will automatically turn on Prime Time. Our ultimate goal is to maintain a consistent level of service that consumers can choose to participate in if they wish.

The most important aspect of Lyft's dynamic pricing model to understand is that prices above the usual rates go into effect only when demand is higher than the supply of drivers available to meet demand in a given area. The elevated rates remain in effect only long enough to increase supply enough to meet that demand.

This change in price is directly targeted at encouraging drivers to make themselves available at the times and in the areas where customers need rides. Drivers are directly notified of the need for more rides and where those rides are needed. At Lyft, ALL of the extra money goes to the drivers.

Consumers are notified of the potential price increase at several steps in the process before they confirm their ride request and tools are available for them to estimate the cost of their ride at any time. A customer cannot confirm a ride during prime time without specifically agreeing to the increase by clicking on a pop-up notification. The public benefits from having a choice for on demand transportation at a price they agree to.

The great thing about having a variety of choices in the FHV market is that consumers have options at many price points. If a customer is seeking a ride during a time when demand is high and supply is low and therefore prices are elevated for any given option, that customer has many alternatives that may better suits their needs. Or, if they still choose to proceed with their preferred dynamic pricing option, they can simply wait some time and the pricing will drop as supply increases; this usually happens in relatively short order. On the other hand, if that customer has unique time pressure for their desired trip and that is more important than the cost at that time, dynamic pricing helps assure that they will have the option of getting a quick and convenient ride.

Variable pricing is not unique to app-based for hire vehicle services or even to the car service industry. Many businesses and entire industries use pricing that varies based on demand. However, unlike with Lyft's dynamic pricing model, the price increases in other industries do nothing to increase supply.

For example, if you want to find a hotel room in New York City during a big event like Fashion Week you are likely to pay several times the normal rate because of, or even in anticipation of, high demand. The price of tickets and parking spaces for sporting events are much higher for some games than for others. These examples are all around us in our daily lives.

But, it is very important to note that THESE price variations do nothing to increase supply. The higher rates in these cases do not create more hotel rooms, apartments units, parking spots, or seats on the plane or in the stadium. Customers do not see rates decrease based on a balance of supply and demand. Rather, they just pay higher and higher rates as demand increases or even if demand is only expected to increase but never does.

By contrast, dynamic pricing the way Lyft uses it directly and immediately responds to customers' needs. The supply is increased to meet customers' needs and as soon as there are enough rides available, the price goes down. This flexibility enables the overall cost of the service to remain low and drivers to maximize their time.

We urge you to carefully consider the negative impacts of this legislation and would be happy to discuss with you in further detail how this system has worked exactly as intended in practice. We also ask you to consider that the more driver freedom to choose when and from which service they accept rides is preserved in the system, the less often we will see these price increases and the more quickly prices will return to base levels, increasing affordability and efficiency for the entire industry.



**Testimony of Jose Altamirano
President, Livery Base Owners Inc.**

**Before The Council of the City of New York
Transportation Committee**

Public Hearing: Int. No. 47, 556, 559 and XXXX

January 12, 2015 10:00AM

Good morning Mr. Chairman, members of the committee and industry colleagues. My name is Jose Altamirano, spokesperson for the Livery Base Owners Association (LBO), composed of 125 base owners with approximately 12,000 affiliated vehicles throughout New York City.

I want to thank the Chairman Ydanis Rodriguez and the Members of the New York City Council Transportation Committee for allowing us to speak on Intro Numbers 47, 556, 559 and XXXX.

We're here today to discuss four key pieces of legislation that will protect the for-hire industry:

- **Intro No. 47 by Council Member Cabrera** – (A Local Law to amend the administrative code of the city of New York, in relation to removing the off-street parking requirement for base station licenses.) *There is no doubt that off street parking regulations have been an issue the industry has dealt with for many years. However, removing off street parking regulations AT THIS TIME would offer little relief. Our concerns continue to be the protection of our industry and ensuring that the right choices are made in proposing new or removing old regulations and its affect on the entrance of new companies. Considering all the changes happening in our industry we respectfully ask the Committee to hold off any actions until this issue can be further analyzed.*
- **Intro No. 556 by Council Members Greenfield, Arroyo, Crowley, Gentile, Koo, Koslowitz and Mendez** – (A Local Law to amend the administrative code of the city of New York, in relation to prohibiting for hire vehicles from charging excessive rates.) *LBO is generally supportive of measures that protect the passengers they serve everyday in their communities but the legislation in its current form will most negatively impact drivers and not the “bad actors” the legislation is intended to prohibit from price gauging during peak times.*

- **Intro No. 559 by Council Members Rodriguez, Dromm, Espinal, Ferreras and Vacca**
 - (A Local Law to amend the administrative code of the city of New York, in relation to agreements between livery base stations.)
 - *We oppose allowing one base to dispatch drivers of another base without an agreement between the two bases. Doing so raises significant accountability concerns and needlessly alters the current practice. We agree that bases should be able to dispatch drivers from other bases as long as it includes an agreement between the bases. This practice has worked well for over 30 years allowing drivers to maximize their revenues while ensuring proper customer service and reliability of service. Allowing bases to dispatch other bases' affiliated drivers without an agreement will seriously undermine the important role of community bases in providing day to day accountability to their drivers, the communities they serve and the overall safety of residents throughout New York City. In the drafting of this new agreement we want to ensure the current practice is protected.*
 - *We also want to reiterate our support for the prohibition on cross class dispatch. The Livery bases and drivers are local community based businesses serving the communities they live in and are held by a separate set of rules and regulations including a separate Worker's Compensation Fund. Livery drivers dispatched by a Black Car service may put the livery driver in danger of losing worker's compensation coverage and vice versa.*

- **Intro No. __ by Council Member Rodriguez** – (A Local Law to amend the administrative code, in relation to allowing the taxi and limousine commission to consider improved trouble lights for use in licensed vehicles.) *LBO is concerned about the recent increase of attacks against our drivers and appreciates any measures that could potentially protect or ensure their safety. The safety of our drivers is paramount and they should be allowed the use of other technologies, such as LED lights, or more cost efficient options to notify the public and law enforcement if they are under assault or are otherwise endangered while operating their vehicle.*

We are here today because we keep making the wrong choices with regard to the entrance of new these new companies to our long regulated long working industry. Let me be clear when start-up companies enter our industry we should embrace them and the change and technology they bring, but we need to protect the industry, employees and customers in the process.

It is our hope that the Commission will continue to listen to stakeholders from the livery industry in order to preserve the businesses and its drivers and allow us to continue providing much needed transportation to the residents of New York City as it has been doing for decades.

City Council Public Hearing - Committee on Transportation
Monday, January 12, 2015

--

Agenda Items

- Intro 0559 re: Agreements between Livery Base Stations;
- Intro 0556 re: Prohibiting FHV Vehicles from charging excessive rates;
- Intro 0047 re: Removing the Off-Street Parking requirement for base station licenses;
- Intro 0615 re: Consideration of improved trouble lights for use in vehicles.

Good morning,

My name is Avik Kabessa, I am the CEO of Carmel and a board member of livery Roundtable.

First I would like to commend you for taking brave and just steps to protect consumers as well as the industry that serves them. I am in support of all four introductions and would like to address some of them.

Intro. 559: Requiring Agreements between bases prior to dispatching to non-affiliated drivers

Ever since the TLC has allowed dispatching to drivers of another base without an agreement between the bases, there is not even a day where consumers are not left stranded because drivers get a better offer from another base a minute before the pick-up time and decide to take the higher fare leaving the original customer stranded. An agreement between bases would coordinate dispatch and prevent such incidents.

Similarly, there is not a week without consumers calling us about a lost and found item, on a ride we had no clue took place, and we can't help them. Customers are astonished when we tell them we do not know of the ride and have no agreement with Uber or Lyft. If there was an agreement between the bases the proper customer service could be provided.

It is important to mention here that many bases, including Carmel would love to enter into an agreement with a company like Uber, the problem is that Uber is against this law because they (Uber) are not willing to offer reciprocity. They want to control the supply of drivers -- this fact is also why I support intro 556

Intro. 556: Prohibiting Charging Excessive Rates

It is one thing to say that supply and demand should dictate prices, but when greed turns it into supply and rip-off, it is time to intervene. Companies like Uber look to control the supply and by doing so to control prices. Some incentive should be offered to drivers working in rush hour, weekends, and holidays, but not 3, 4, 5, or even 8 times the going rate. It is simply a rip off of the riding public. I agree with the 100% maximum on rate increase but believe a simpler formula of determining when an overcharge took place should be created. I offer my help in working with the council member on it.

Intro. 47: Removing the off-street parking requirement for base station license

The removal of the off-street parking rule is long overdue. In 2009 when we discussed the issue with the TLC, they admitted that since bases no longer own their vehicles or operate in a manner that requires drivers to be close to their base, the TLC agreed with us that the rule should be removed but asked our help to come up with alternative rules, which we did. The four alternative rules were that base owners are responsible:

1. That vehicles are not double park or at a fire hydrant
2. That no vehicle will engage in mechanical maintenance or repair on the street
3. That vehicles affiliated obey all applicable traffic and parking regulations
4. That drivers will not create a nuisance such as by engaging in unnecessary horn honking,

The TLC passed these rules including penalties for violating them. Unfortunately, they did deliver on their promise to work to remove the off-street parking law, so thank you for doing it now.

Thank you.

**City Council Public Hearing
Committee on Transportation
Monday, January 12, 2015**

--
Agenda Items

Intro 0047 re: Removing the Off-Street Parking requirement for base station licenses
Intro 0559 re: Agreements between Livery Base Stations
Intro 0556 re: Prohibiting FHV Vehicles from charging excessive rates
Intro 0615 re: Consideration of improved trouble lights for use in vehicles

Good morning Councilmember Rodriguez and members of the Committee and Happy New Year to you all. My name is Carolyn Castro and I am the Executive Director of the Livery Roundtable.

The Livery Roundtable is an umbrella organization that represents the largest collection of livery associations throughout the five boroughs and serves as a conduit between the industry, the regulating body, and the Council. This morning I am here to relay to you the industry's support for Introductions 47 for Off-Street Parking, 559 for base agreements between liveries, 556 prohibiting FHV vehicles from charging excessive rates, and 615 for trouble lights.

Intro. 47: Removing the off-street parking requirement for base station license

Our constituents are overjoyed that the Council has taken on the initiative to not only hear the concerns of many base owners by meeting with us, but introduce legislation that would do away with the Off Street Parking requirement. We have for many years and several administrations met with members of the TLC and Council to do away with this rule that no longer reflects the practices of livery bases. Bases no longer operate in a manner that requires drivers to park their vehicles in order to pick up and drop off documentation, as once was the practice. Therefore, I hope you will all agree that having to pay thousands of dollars to garages so bases can provide "proof" of parking that is no longer necessary, and is a huge unnecessary expense for bases throughout the city.

Intro. 556: Prohibiting FHV Vehicles from Charging Excessive Rates

We also thank the Council for identifying the importance for a controlled fare schedule prohibiting excessive surcharging. This will ensure reliability for customers and it follows what has been in practice in our industry's history for over 30 years. Customers come to rely on pricing consistency which helps our businesses retain repeat customers and build trust and longstanding relationships for both passengers and drivers.

Intro. 559: Agreements between livery base stations

Lastly, we thank the commission for moving forward with Introduction 559. The bill provides protections to consumers and livery drivers by requiring written agreements between base stations prior to dispatching a non-affiliated vehicle.

The bill will enable livery bases to provide reliable service by ensuring that customers are not left stranded by a confirmed dispatched vehicle. In order to provide service in the dependable fashion that riders have come to expect, livery bases must be able to depend on their affiliated drivers' availability to honor accepted dispatches. The proposed bill's purpose is to protect consumers against drivers accepting a dispatch from a base and then stranding the passenger when a more lucrative trip is offered

by another base. With the rise of third-party smartphone apps, livery bases have had to cope with such behavior on a daily basis.

The base agreements will prevent app services from infringing on the substantial investments livery bases have made, and continue to make, to support their networks of affiliated drivers. Livery bases have spent millions of dollars over decades in order to affiliate drivers, create and maintain their networks, and promote their services or brands. The livery bases have added considerable value to the driver through a steady flow of business. Yet, when demand for drivers increases during rush hour, drivers have increasingly abandoned their accepted dispatch (at a time when drivers are needed the most) and opted to accept rides with 'surge pricing' or 'prime time' rates, leaving the prearranged consumer stranded. Without an agreement, these technology companies freely benefit from investment of livery bases by dispatching to livery-drivers who would not be on the road in the first place if not for the livery companies' substantial investments.

Base agreements will protect the base and the passenger by doing away with a lack of reliability. We have shared with the Commission and the Council examples of how third party apps have dispatched trips that are claimed to be on behalf of livery bases when they are not. This places the accountability of bases in serious jeopardy, as the livery bases are unaware that their trustworthy names are being fraudulently given to passengers without their knowledge. I'm sure the Council will agree that this can be potentially dangerous for all involved: the passenger is unaware of who actually is providing them transport, the driver's status is compromised with Workers Compensation, and the base could be held culpable for actions they are unaware are occurring.

As to the issue of Workers Compensation: Under the Independent Livery Drivers Benefit Fund Workers compensation covers rides from affiliated bases or bases that have an agreement with the vehicle's affiliated base. So if rides occur from non-affiliated bases with no agreement in place, drivers will not be covered. Base agreements will ensure that livery drivers are covered under the ILDBF.

I hope I have shared enough detail as to the importance of the proposed introductions and their need for passage. Passage will ensure the overall safety of both the industry and the riding passengers that utilize our services daily. Thank you for allowing me the time to share livery industries perspectives on these matters.

Thank you.



39-24 24th Street, 2nd Floor
Long Island City, NY 11101
Phone: (718) 784-4511
Fax: (718) 784-1329
E-mail: pmazer@metrotaxiboardoftrade.com

Peter M. Mazer
General Counsel

MTBOT COMMENTS ON THE OFF STREET PARKING BILL (INTRO. 0047-2014)

Good morning, Chairman Rodriguez and members of the Transportation Committee. I am Peter Mazer, General Counsel to the Metropolitan Taxicab Board of Trade. MTBOT concurs with all of the comments made by Ira Goldstein, Executive Director of the Black Car Fund, concerning the three bills he addressed. I would like to make some additional comments with respect to Intro. No. 0047, which would delete section 19-511(b) and (c) of the Administrative Code to eliminate the off-street parking requirements for licensed for-hire vehicle bases.

About twenty years ago, the City Council passed a comprehensive set of rules dealing with the licensure of for-hire bases. These included requirements for police and community board review of new and relocated bases, traffic and environmental studies as part of the base review process, TLC review of the need for additional for-hire transportation services in the community, adequate off-street parking, and Council review of all new base license applications. These provisions were adopted in response to local community concerns about the effect that car service bases were having on the quality of life in many of our communities. The law has worked well. More than 500 bases have fully complied with these requirements and are licensed by the TLC. They are usually good neighbors in the communities they serve because of these requirements. Rarely if ever does the TLC reject a new base license application or revoke an existing base because these requirements are not met.

Bases are not alone in having an off-street parking requirement. Section 19-530(k) of the Administrative Code requires licensed taxicab agents to maintain sufficient off-street parking for

the taxicabs they dispatch. And these taxicab agents are highly regulated with respect to their hours of operation, the conditions of the vehicles they dispatch, and their compliance with all state and local laws.

The current application review process has worked well. There is no compelling need to change it now. Entities interested in opening new bases, or relocating existing ones, are fully aware of all requirements which can be met with common-sense business planning. We do not see communities underserved with car service bases. Rather, we see that the Council and TLC have in place a carefully thought out structure for base license review which has worked for decades. Existing requirements are not a barrier to entry into the car service system; rather, they are the mechanism by which car service bases have been good neighbors in their communities and provide transportation service without necessarily disrupting the communities they serve. We see no compelling reason for the elimination of this requirement, and urge no action on this Intro. 0047.

The New York City Council Committee on Transportation
Int. No. 556: "Prohibiting for-hire vehicles from charging excessive rates"
Monday, January 12, 2015

Written Testimony for Uber Technologies, Inc.

INTRODUCTION

Uber was founded with the goal of ensuring a reliable ride—everywhere and at all times of day. We are committed to ensuring that riders have a safe, reliable and hassle-free way to move around their city through use of our smartphone application.

At busy times with peak demand—like New Year's Eve, Halloween, or after a major sporting event—we use surge pricing, or dynamic pricing, to get more cars on the road and to help ensure that users always have a ride when they need it most. Fares increase incrementally as an automatic response to levels of driver supply and levels of rider demand. The purpose of increasing fares is to incentivize drivers to ensure sufficient supply during times when they are needed most.

We see ourselves as one option among many in the New York City transportation marketplace. Consumers are notified up-front when dynamic pricing is in effect, and can choose not to take an Uber trip during that time period—and in fact, many do make that choice. In employing a dynamic pricing model, we are simply providing consumers with an additional choice in their transportation options, as the various transportation products offered through the Uber platform are themselves part of a broader menu of choices to city residents that includes buses, taxis, the subway, rental cars, bikeshare, and a host of other choices.

NOTIFICATION AND EDUCATION

Because dynamic pricing is not always in effect, we understand that dynamic pricing is in a certain sense a departure from the normal Uber experience, and a given consumer could use Uber many times before encountering dynamic pricing. For this reason, we take steps to educate our riders to help them understand dynamic pricing and equip them to respond to specific instances of elevated pricing in the way that makes the most sense for them, at that time.

When dynamic pricing is in effect, we take many measures within the app itself to notify the user before the user can request a trip. When fares have increased, we repeatedly communicate that fact to the user and we require confirmation from the user before he or she is able to submit a trip request. Further, at times when the fare exceeds two times the normal rate, a multi-step confirmation screen appears and requires the user to type in the price multiple to accept the higher fare.

When dynamic pricing is in effect, riders have multiple opportunities to choose, confirm and accept increased fares, or they can request to be notified via text message or alert when prices drop through our in-app "Surge Drop" feature. Users can also estimate the fare before requesting a ride by simply entering pick up and drop off locations in the app. If dynamic pricing is in effect, the quoted fare will take the current rates into account.

DYNAMIC PRICING IN-APP SCREENSHOTS



Beyond our innovative and transparent app features, we are also proactive in educating consumers about how they can avoid or mitigate the cost of dynamic pricing. Before especially busy nights like New Year's Eve, we send all Uber riders around the world an email explaining, in detail, how to avoid expensive fares. Such emails, and accompanying blog posts on the Uber website, give the public and potential riders explanations and visuals of which times of night will be best to ride. We tell users when we expect fares to be at their highest, and when to request a ride for the most affordable experience. We also suggest trying local taxi options or public transportation options if riders are not willing to pay the higher fares with Uber.

We also understand the importance of providing options to consumers during times of high demand in order to fight against drunk driving. As such, we have a longstanding nationwide partnership with Mothers Against Drunk Driving (MADD)—and this past New Year's Eve, we donated one (1) dollar of each trip's fare to MADD.

Part of this consumer education involves other features to mitigate the cost of Uber trips, including our Fare Split option— an in-app feature that allows users to split the cost of a shared ride with family or friends.

DYNAMIC PRICING IN OTHER INDUSTRIES

Dynamic pricing is not something unique to Uber. In itself, dynamic pricing is a key element of other consumer goods and services that are offered and sold. Many other industries practice dynamic pricing and adjust pricing to align with demand.

Most relevant in New York City, according to yellow taxicab metered fare information on New York City Taxi & Limousine Commission website, there is a daily fifty (50)-cent surcharge from 8pm to 6am, and a one (1) dollar surcharge from 4:00 PM to 8:00 PM on weekdays.¹ This suggests that the city acknowledges that there are times of day when demand requires the surcharge be higher. Additionally, normal passenger vehicles are required to pay a \$9.75 toll to cross the George Washington Bridge during "non-peak hours," but a \$11.75 toll during "peak hours" from 6:00-10:00 AM and 4:00-8:00 PM on weekdays, and 11:00

¹ NYC Taxi & Limousine Commission, "Yellow taxicab rate of fare," http://www.nyc.gov/html/tlc/html/passenger/taxicab_rate.shtml.

AM-9:00 PM on weekends.² Consumers also see dynamic pricing with hotels during periods of high seasonal demand or before events like conventions, the Super Bowl, or the Presidential Inauguration, and Major League Baseball has officially adopted a dynamic pricing model for ticket prices.

Though many other industries engage in dynamic pricing practices, unlike Uber, they typically do not go the extra mile to warn their customers or educate them about how their pricing model works. You would never see a reminder from a florist that Valentine's Day is right around the corner, so you should think ahead and ask yourself if you are comfortable paying twice the normal amount for roses.

WHO BENEFITS FROM DYNAMIC PRICING?

Uber's dynamic pricing model benefits both consumers and drivers.

Uber is not the only way people can get around the city. Consumers know this and incorporate it into the decisions they make. Riders know that Uber is always one option among other transportation alternatives. They can make an informed decision—in real time—about whether to use Uber, use another transportation provider, take public transit, wait to be notified until prices change, or change their plans entirely. If prices were artificially capped within the normal course of business, consumers would be unable to utilize our safe and convenient transportation option because demand would simply overwhelm the available supply.

Dynamic pricing also offers benefits to drivers. The economic opportunity of the Uber platform is unprecedented in the industry, providing freedom and flexibility for drivers. The technology has provided hundreds of thousands of driver partners the opportunity to start and grow their own small businesses, including over ten thousand drivers in New York City. In the four years since Uber launched in New York City, Uber has transformed the earning opportunity of the driver experience. Uber and our dynamic pricing model have increased economic opportunities for lower-income New Yorkers, particularly recent immigrants, veterans, and women. Dynamic pricing gives drivers the option to respond to opportunities to earn extra income. Because Uber doesn't employ drivers, every driver has a choice of how he or she spends his or her time. Dynamic pricing helps bring supply into line with demand, when necessary, by incentivizing more drivers to come onto the platform.

HOW DOES DYNAMIC PRICING WORK?

To better understand why dynamic pricing is a benefit to both drivers and consumers, it may help to learn a bit about the mechanics of Uber's dynamic pricing.

Our goal is to be the most reliable ride on the road, and our automated algorithm looks at the number of drivers with no riders in their vehicles and compares that number to the number of drivers with riders in their vehicles. These factors determine when fares should be higher in certain areas. Uber uses real-time rider and driver data in a given region, obtained via the mobile applications of riders and drivers, to adjust a price in that region. We use data from the driver apps—to estimate the number of drivers that are on the platform or available to accept a trip—and data from the rider apps—to see which riders in the area have the Uber app open on their phone. Uber's algorithm senses when more riders want rides than drivers are available and adjusts the price of a ride so that additional drivers have an incentive to make Uber trips. Those

² The Port Authority of New York and New Jersey, "Bridges and Tunnels: Tolls," <http://www.panynj.gov/bridges-tunnels/tolls.html>

additional drivers help lower wait times for riders and get the riders to where they need to go. Once demand falls or supply increases sufficiently, prices quickly go back to normal.

Dynamic pricing varies by location—while certain parts of the city might have dynamic pricing in effect, other neighborhoods where demand may not be as high remain at normal prices. This means that levels of dynamic pricing also vary city to city at any given time—we only charge fares that are necessary to ensure that rides are available for consumers when they need them. To that end, we are constantly working to offer the lowest price experience for customers; it's important to remember that, during times when dynamic pricing is in effect, the surge multiple is applied to a price that is as low as possible for the consumer.

Dynamic pricing is relatively uncommon: globally, fewer than 10% of our trips include dynamic pricing. In the past 6 months in NYC, only about 13% of our trips had dynamic pricing in effect—which includes the busiest times of the year, such as New Year's Eve, Halloween, and the Thanksgiving Day parade.

At Uber, we take our commitment to the community seriously. As part of that responsibility, we've adopted a national operational policy to help cities and citizens cope and recover from disasters. Our current practice, which is memorialized in an agreement from July 2014 with New York State Attorney General Eric Schneiderman, is to cap our dynamic pricing algorithms during disasters and relevant states of emergency.³ Additionally, for the first forty-eight (48) hours of disasters and relevant states of emergency, Uber is committing to donate its fees on trips that have dynamic pricing in effect to the American Red Cross. That means that for trips with elevated pricing, twenty (20) percent of the total fare will be donated to the American Red Cross' disaster relief effort.

It is clear that this dynamic pricing model is not equivalent to price gouging, in any sense of the term. A company looking to engage in price-gouging behavior simply would not behave this way. It would not invest its time and resources into conditioning people to understand and expect price fluctuations, in order to help them limit the times that they put themselves in situations where they are not comfortable paying a higher fare-- and it would not create redundant notification systems to ensure that users are repeatedly notified in advance to ensure that nobody is surprised by an elevated price.

With our in-app notifications, our "Surge Drop" feature, and our proactive messaging to riders, we provide next-level transparency about our dynamic pricing model all while preserving the reliability that is core to Uber's business model and to our commitments to our customers.

SUMMARY

Therefore, because it would limit economic opportunity for drivers and make it more difficult for riders to find rides during times of peak demand, we respectfully request that members of the New York City Council Committee on Transportation vote against Int. No. 556: "Prohibiting for-hire vehicles from charging excessive rates."

³ Uber blog, "Partnership with American Red Cross to Support Cities and Citizens During Disasters," 8 July 2014, <http://blog.uber.com/UberARC>.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 559 Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)
Name: Ira Goldstein, Black Car Assistance
Address: 30 West Street Corp.
I represent: A coalition of Industry leaders
Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

Date: 1/12/15

(PLEASE PRINT)
Name: James Weisman
Address: 120-34 Queens Blvd, Kew Gardens
I represent: United Spinal Assoc
Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 556 Res. No. _____
 in favor in opposition

Date: 1/12/2015

(PLEASE PRINT)
Name: Colin Tooze
Address: 27-55 Jackson Ave, Long Island City
I represent: Uber Technologies (industry)
Address: 27-55 Jackson Ave, Long Island City

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 559, 556, 61 Res. No. _____

in favor in opposition

Date: 1/12/15

(PLEASE PRINT)

Name: Eshan Tuncel (LDMTO)

Address: 226 E 82nd St NY, NY 10028

I represent: Industry Panel

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 556 Res. No. _____

in favor in opposition

Date: 1/12/2015

(PLEASE PRINT)

Name: Nicole Benincasa

Address: 27-55 Jackson Ave, Long Island City

I represent: Uber Technologies (Industry)

Address: 27-55 Jackson Ave, Long Island City

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Tarek Mallah

Address: _____

I represent: Dial 7 / Livery Roundtable

Address: _____

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 47 Res. No. _____

in favor in opposition

Date: 1/12/14

(PLEASE PRINT)

Name: Michelle Keller

Address: 115-36 165 St. Van 11431

I represent: Community board #12

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: OSMAN CHOWDHURY

Address: 43-42-45 ST ADT #146

I represent: UNITED TAXI DRIVERS

Address: ASSOCIATION (NYC) INC

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 47: 554 Res. No. _____

in favor in opposition

Date: 1/12/2015

(PLEASE PRINT)

Name: Tweeps Phillips Woods

Address: _____

I represent: the Committee for Taxi Safety

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 556 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Wancel Rodriguez

Address: 141-42 72 Drive Flushing N.Y

I represent: ~~_____~~ Waste FTN Driver

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: CAROLYN CASTRO

Address: _____

I represent: LIVERY ROUNDTABLE

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: AVIK KABESSA

Address: _____

I represent: ~~_____~~ CARMEL CAR SERVICE

Address: _____

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 47 Res. No. _____

in favor in opposition

(Industry Panel)
all 4 Invites

Date: 1/12/2015

(PLEASE PRINT)

Name: PETER M. MAZER

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

I represent: Metropolitan Taxicab Board of Trade

Address: (same)

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 556 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Lilliane Rivas

Address: _____

I represent: ~~XXXX~~ FHV Driver

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 556 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: RAVINDER TIWANI

Address: 185 BAY RIDGE AVE, BK NY 11220

I represent: ~~XXXX~~ FHV Driver

Address: _____

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: 1/12/15

(PLEASE PRINT)

Name: GUY B. PALUMBO

Address: 176-25 UNION TPKE - (423)
FRESH MEADOWS, NY 11366

I represent: _____

Address: INDUSTRY PANEL

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: 1-12-15

(PLEASE PRINT)

Name: MEENA JOSHI

Address: TLC COMMISSIONER

I represent: NYC TAXI + LIMOUSINE

Address: COMMISSION

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 556 Res. No. _____

in favor in opposition

Date: 1/12/15

(PLEASE PRINT)

Name: Diana Dellamere

Address: 2300 Harnison Street, San Francisco CA

I represent: Lyft

Address: 2300 Harnison Street, San Francisco, CA

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 556 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Ira Goldstein

Address: _____

I represent: Black Car

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Derrick Harmington

Address: _____

I represent: Independent Livery Drivers Assoc

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Darlyn Sanchez

Address: _____

I represent: Livery Roundtable

Address: _____

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

Name: Jose Altamirano (PLEASE PRINT)

Address: _____

I represent: Livery Base Owners

Address: _____

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

Name: Avik Kabessa (PLEASE PRINT)

Address: _____

I represent: Livery Roundtable - Carmel

Address: _____

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

THE COUNCIL
THE CITY OF NEW YORK

* industry panel

Appearance Card

[]

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

in favor in opposition

47 brief comments

Date: _____

(PLEASE PRINT)

Name: Arthur Goldstein

Address: _____

I represent: TAXICAB Service ASSN - TSA

Address: _____

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

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

[]

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Commissioner Victor Calise

Address: _____

I represent: MOPD

Address: _____

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