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**THE COUNCIL OF THE CITY OF NEW YORK**

Andrea Vazquez, Legislative Director

**COMMITTEE REPORT AND BRIEFING PAPER OF THE INFRASTRUCTURE DIVISION**

Bradley J. Reid, Deputy Director

**COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE**

Hon. Selvena N. Brooks-Powers, Chair

October 13, 2022

**Oversight: The State of TLC’s Regulated Industries**

**RES. NO. 2:** By Council Members Ayala, Brannan, Menin, Louis, Hanif, Hudson, Bottcher, Farías and Brooks-Powers

**TITLE:** Resolution calling upon the New York State Legislature to pass, and the Governor to sign, S.4037/A.5896, legislation to extend and expand the scope of the MTA On-Demand E-Hail Paratransit Pilot Program.

**RES. NO. 292:** By Council Member Brooks-Powers, the Public Advocate (Mr. Williams) and Council Members Restler, Won and Louis

**TITLE:** Resolution calling on the New York State Legislature to pass, and the New York State Governor to sign, S.5320, which would amend the administrative code of the city of New York to allow commuter vans to accept hails from prospective passengers in the street, and would repeal certain provisions of law relating thereto.

**INTRODUCTION**

On October 13, 2022, the Committee on Transportation and Infrastructure, Chaired by Majority Whip Selvena N. Brooks-Powers, will conduct an oversight hearing on the state of the industries regulated by the New York City (“NYC” or “City”) Taxi and Limousine Commission (“TLC”), including the taxi and for-hire vehicle (“FHV”) industries. Those invited to testify include TLC representatives, taxi medallion owners and drivers, operators of liveries and black cars, industry advocates and other interested stakeholders. In addition, the Committee will hear Res. No. 2, sponsored by Council Member Ayala, which is a resolution calling upon the New York State Legislature to pass, and the Governor to sign, S. 4037/A. 5896, legislation to extend and expand the scope of the MTA On-Demand E-Hail Paratransit Pilot Program; as well as Res. No. 292, sponsored by Majority Whip Brooks-Powers, which is a resolution calling on the New York State Legislature to pass, and the New York State Governor to sign, S. 5320, which would amend the administrative code of the city of New York to allow commuter vans to accept hails from prospective passengers in the street, and would repeal certain provisions of law relating thereto.

**BACKGROUND**

The TLC, created in 1971, is responsible for the regulation and licensing of: taxicabs, including yellow taxicabs and street hail liveries (also known as green or boro taxis); FHVs; commuter vans; and paratransit vehicles.[[1]](#footnote-1) The TLC has approximately 600 employees and its Board consists of nine members, eight of whom are unsalaried Commissioners, along with the salaried Commissioner and Chair (“TLC Chair”).[[2]](#footnote-2) The TLC Chair is the head of the TLC and presides over its public meetings.[[3]](#footnote-3) The TLC regulates over 200,000 TLC licensees in NYC.[[4]](#footnote-4)

***Taxi Medallions***

Over the last decade, the FHV industry as a whole has experienced tremendous changes, particularly with the introduction of app-based FHVs in the City. As a result, the number of licensed FHVs dramatically increased from approximately 39,700 in 2011[[5]](#footnote-5) to more than 130,000 in March 2018, with the TLC issuing licenses to approximately 2,000 new FHVs per month at that time.[[6]](#footnote-6) However, following the passage of Local Law 147 of 2018, the issuance of new FHV licenses was paused. In January 2022, data indicated that the total number of FHV licenses was 96,114.[[7]](#footnote-7)

App-based FHVs and the emergence of new technology has increased competition for trips in the City, leading to a decrease in the number of medallion taxi trips in the City and, thus, a decline in the daily fares collected per taxi medallion.[[8]](#footnote-8) Since 2014, there has also been a rapid decline in taxi medallion values.[[9]](#footnote-9) In 2013, corporate (also known as “minifleet”) medallions, which had to be owned in groups of two or more, were routinely sold for approximately $1.2 million and individual medallions for approximately $890,000.[[10]](#footnote-10) By November 2019, the average sale price for taxi medallions declined to approximately $165,000 with a median sale price of $200,000.[[11]](#footnote-11) As discussed further below, during the COVID-19 pandemic, many medallions were put into storage while trip volumes plummeted.[[12]](#footnote-12) As of May 2022, TLC sales data indicated that average medallion value is about $137,000.[[13]](#footnote-13) Notably, although the price is still about 90% of what it was at the medallions’ peak in 2014, from May 2021 to May 2022, the average medallion value has increased by about 74%, from $79,106 to $137,330, the first uptick in average price in eight years.[[14]](#footnote-14)

The large decline in medallion values, coupled with the decrease in total fares collected, has continued to cause severe financial hardship for many taxi medallion owners. Many taxi medallion owners have been saddled with large loans that featured either interest-only payments or balloon payments at maturity. A New York Times investigation in 2019 revealed that more than 950 medallion owners had filed for bankruptcy, with many trapped in “exploitative loans.”[[15]](#footnote-15) In 2021, there were 521 foreclosures on taxi medallions in the City.[[16]](#footnote-16) More recently, TLC data reveals that from January 2022 to May 2022, there were 281 foreclosures on taxi medallions.[[17]](#footnote-17)

The COVID-19 pandemic was particularly harmful to medallion owners. There are currently 13,587 taxi medallions.[[18]](#footnote-18) Due to the decreased demand for transportation caused by the pandemic, many medallion owners chose to place their medallions in temporary storage to avoid paying insurance costs.[[19]](#footnote-19) The number of medallions in storage was at an all-time high of 7,364 in April 2021.[[20]](#footnote-20) Although medallion owners have slowly begun taking their medallions out of storage in recent months to meet increasing demand for transport, as of November 2021, there were still 6,215 medallions left in storage.[[21]](#footnote-21) While there has been some improvement, many believe there is still work to do in bringing more medallions out of storage.[[22]](#footnote-22)

*Taxicab Medallion Sale Prices Task Force*

In response to the taxi medallion crisis and the calls for help from taxi owners and drivers, the City Council established a Taxicab Medallion Sale Prices Task Force (“Taxi Medallion Task Force”) pursuant to Local Law 212 of 2018.[[23]](#footnote-23) The Taxi Medallion Task Force met over the course of six months from July 2019 to January 2020 to “discuss the state of the medallion taxi industry in New York City.”[[24]](#footnote-24) The focus of the Taxi Medallion Task Force was on addressing the debt crisis in the medallion industry and exploring the future of medallion taxi service in the City.[[25]](#footnote-25) One of the recommendations from the report released by the Taxi Medallion Task Force was for the City to work with state and federal governments, the non-profit sector and private partners to establish a Debt Purchase and Modification Program for distressed medallion owners.[[26]](#footnote-26) Under one of the models proposed, the City would put together a group of mission-driven investors[[27]](#footnote-27) who would purchase some of the outstanding loans from medallion owners through a special-purpose vehicle and then modify them on borrower-favorable terms.[[28]](#footnote-28)

*TLC’s Taxi Medallion Owner Relief Program*

The financial crisis in the taxi medallion sector has prompted many owners, drivers and advocates to call for action to address the debt faced by medallion owners. In September 2021, then-Mayor Bill de Blasio announced the creation of a $65 million Taxi Medallion Owner Relief Program (“MRP”) to help financially distressed medallion owners.[[29]](#footnote-29) The MRP is intended to allow small medallion owners struggling with debt to work with lenders in order to restructure their loans, reduce principal amounts and lower their monthly payments.[[30]](#footnote-30) Under the MRP, eligible participants can receive up to a $20,000 down payment to help restructure medallion-related loans and up to $9,000 in additional monthly debt payment assistance if they can demonstrate specific hardships after the restructuring of their loans.[[31]](#footnote-31) In addition, the TLC created the Supplemental Loan Deficiency Guaranty, otherwise known as the “MRP Plus.”[[32]](#footnote-32) This program allows for a $30,000 grant for medallion owners to help restructure medallion-related loans with a remaining principal balance of $170,000 or less.[[33]](#footnote-33) This option, however, does not include monthly debt payment assistance, though it does include a loan guaranty for lenders.[[34]](#footnote-34) Participants in both programs also receive legal and financial guidance at TLC’s Driver Resource Center, which was launched in May 2020.[[35]](#footnote-35)

As of July 11, 2022, 308 medallion owners have received significant debt relief through the MRP, with about 50% of their debt cancelled.[[36]](#footnote-36) A total of $50.8 million in median debt has been reduced from these owners, with estimates that, through the multiplier effect of grant payments, the MRP may achieve as much as $500 million in debt forgiveness.[[37]](#footnote-37) There are more than 1,000 owners who have applied for the MRP.[[38]](#footnote-38)

Notably, during a September 27, 2021 TLC public hearing on proposed rules relating to the MRP, numerous members of the public argued that the financial benefits set up by the TLC for the MRP are simply not sufficient to address the amount of debt faced by medallion owners.[[39]](#footnote-39) Advocates at the hearing and in other public forums have continued to propose alternative plans for relief, including a plan put forward by the New York Taxi Workers Alliance (“NYTWA”) that would completely forgive taxi medallion debt.[[40]](#footnote-40) Nevertheless, the TLC adopted the proposed rules to help implement the MRP on October 6, 2021.[[41]](#footnote-41)

In November 2021, then-Mayor Bill de Blasio, with former TLC Commissioner Heredia Jarmoszuk, and Senator Charles Schumer, announced an agreement with the City, the NYTWA, and Marblegate Asset Management (currently the largest medallion lender) to supplement the MRP with a City-funded deficiency guarantee.[[42]](#footnote-42) On March 17, 2022, the TLC also promulgated amendments to the MRP-related rules adopted in order to establish the Supplemental Loan Deficiency Guaranty through MRP Plus.[[43]](#footnote-43) The amended rules establish the eligibility criteria for applying for a Supplemental Loan Deficiency Guaranty.[[44]](#footnote-44) On August 30, 2022, Mayor Eric Adams, with newly appointed TLC Chair and Commissioner David Do, announced that the finalized agreement with Marblegate had been reached.[[45]](#footnote-45) This agreement provides hundreds of millions of dollars in debt relief for more than 3,000 medallions owners through the MRP Plus, and allows medallion lenders and owners to move forward with renegotiated loan agreements that include a City-funded loan guarantee.[[46]](#footnote-46) On September 19, 2022, medallion owners were able to begin to restructure their loans through this agreement.[[47]](#footnote-47)

During a virtual public hearing on September 28, 2022, the TLC adopted amendments to its rules related to the issuance of grants under the MRP. According to the Notice of Promulgation posted on the TLC website, the new amended rules will do the following:

“[I]ncrease the number of loans eligible for a supplemental loan deficiency guaranty by adjusting the application criteria to include loans that have been restructured so that the fixed interest rate is 7.3 percent or less and fully amortized over 25 years, and the remaining principal balance is $170,000 or less. Additionally, the prohibition against balloon payments was removed in order to accommodate requests from credit unions looking to participate in the program on similar terms but have regulatory requirements surrounding amortization terms. The rules would also prevent a medallion owner who defaults on the loan guaranty from acquiring another medallion for a period of five years.”[[48]](#footnote-48)

As of September 30, 2022, more than 1,000 medallion owners have already achieved more than $225 million in debt relief from the MRP Plus.[[49]](#footnote-49)

***FHVs***

The category of FHVs includes liveries, corporate black cars and luxury limousines.[[50]](#footnote-50) Liveries, also known as community cars, accept passengers by prearrangement.[[51]](#footnote-51) Similarly, black cars and luxury limousines are also limited to accepting rides through prearrangement, but must also receive more than 90 percent of payments in a non-cash method.[[52]](#footnote-52) Luxury limousines differ from black cars in that they may carry up to 20 passengers and have additional insurance requirements.[[53]](#footnote-53) Local Law 149 of 2018 created a new license category for High Volume For-Hire Services (“HVFHS”) that captures app-based FHVs, like Uber and Lyft, which provide more than 10,000 trips in the City per day.[[54]](#footnote-54)

Each FHV[[55]](#footnote-55) must be affiliated with a TLC-licensed base that is authorized to dispatch vehicles.[[56]](#footnote-56) As such, when a vehicle owner applies for an FHV license, they must list the name of the base with which the vehicle will be affiliated.[[57]](#footnote-57) A driver may accept dispatches from other bases, and may also change their base affiliation.[[58]](#footnote-58) For each trip, the dispatching base must provide the customer with the name and license number of both the affiliated base and the dispatching base.[[59]](#footnote-59)

Base owners in the FHV sector set their own fares, subject to the requirement that the base submit its rate schedules annually to the TLC.[[60]](#footnote-60) The schedules must include surge or variable pricing policies, and any and all additional fees charged to the customer.[[61]](#footnote-61) Owners must submit rates to the TLC whenever rates are changed, with every license renewal application, and with any application to change the ownership or location of the base.[[62]](#footnote-62) In 2016, the City Council passed legislation that required black car bases to provide the passenger with an upfront binding fare quote.[[63]](#footnote-63) Additionally, black car, luxury limousine, and HVFHS bases must display an option that allows customers to acknowledge and accept that surge pricing is in effect prior to a base dispatching a vehicle to a customer.[[64]](#footnote-64)

Livery bases are also required to have off-street parking for their affiliated vehicles and submit an application for service to the local Community Board and Council Member in the impacted area.[[65]](#footnote-65) The application requires livery base owners to submit a business plan, indicate how many vehicles will affiliate with the base, and indicate how many trips they anticipate each vehicle will conduct per day.[[66]](#footnote-66) Black car bases are exempt from these requirements.[[67]](#footnote-67)

On August 14, 2018, then-Mayor Bill de Blasio signed Local Law 149 of 2018, which, as mentioned above, created a new license category for HVFHS (which provide more than 10,000 trips per day).[[68]](#footnote-68) The HVFHS license class was created to better regulate FHVs that carry out a high volume of trips in the City. To obtain a HVFHS license, applicants must: submit a list of bases through which the services will be dispatched; submit a business plan; submit information on anticipated vehicle count, trip volume, service areas and compliance with accessibility requirements; and assess its impact on traffic congestion, local transit and noise.[[69]](#footnote-69) In addition, applicants must provide a description of all deductions they propose to charge FHV owners or drivers, estimates of earnings for drivers, and detailed trip and revenue data on an ongoing basis.[[70]](#footnote-70) Notably, in June 2021, the TLC amended the rules related to HVFHS licenses, creating the HVFHS base license.[[71]](#footnote-71) The amended rules make the HVFHS license a type of base license and no longer require an additional license to dispatch trips.[[72]](#footnote-72) Furthermore, on October 6, 2022, the TLC held a public hearing regarding amendments to its minimum driver payment rules for HVFHS, which would include increasing the minimum pay amounts to account for inflation and increased driver expenses, as well as changing the way in which utilization rates are calculated and applied; and amendments to the rules that would increase the taximeter rate of fare and various surcharges for taxicabs and street hail liveries, create a new LaGuardia Airport surcharge and increase the John F. Kennedy International Airport flat fare.[[73]](#footnote-73) These amended rules are set to be voted on by the TLC at a future date.

*FHV License Pause*

The tremendous growth of app-based FHVs prior to the pause on licenses imposed by Local Law 147 of 2018[[74]](#footnote-74) coincided with a marked decline in the number of cars affiliated with liveries, black cars and luxury limousines. These three sectors are commonly referred to as traditional FHVs. According to the TLC, in 2021, there were 22,845 licensed vehicles affiliated with traditional FHVs, with 5,079 liveries, 16,281 black cars and 1,485 luxury limousines.[[75]](#footnote-75) This is in contrast to the number of traditional FHVs that were operating in each sector at the beginning of 2014, when there were approximately 50,000 liveries, 10,000 black cars and 7,000 luxury limousines operating in the City.[[76]](#footnote-76)

Liveries and traditional black car operators contend that the pause imposed by Local Law 147 of 2018 to ease congestion and stem the number of FHVs on the City’s streets has hurt them, since they cannot license new vehicles to replace those that they lose to the app-based companies or those vehicles for which licenses are not renewed.[[77]](#footnote-77) The TLC, however, contends that drivers moving away from liveries and toward app-based FHV services is a longstanding trend that has not been worsened by the implementation of the FHV vehicle license pause.[[78]](#footnote-78) In a City Council oversight hearing in 2021, the TLC contended that the pause in new FHV licenses was working to strengthen the taxi industry market share, noting that there has been an attrition of about 25,000 FHVs since the pause was implemented.[[79]](#footnote-79)

In June 2021, the TLC voted to block the issuance of new FHV licenses for electric vehicles (“EV”), which still allowed drivers and fleets to add new EVs to their fleets.[[80]](#footnote-80) In March 2022, the TLC released its biannual decision on whether to license any new FHVs, determining not to issue new FHV licenses for six months, except for those that are wheelchair-accessible.[[81]](#footnote-81) However, in its September 2022 report on the license pause, TLC announced that it would issue up to 1,000 new FHV vehicle licenses, which would be restricted to EVs.[[82]](#footnote-82) Despite the report’s finding that “[FHV] vehicle licenses continu[e] to decrease, passenger wait times remain steady, and trips and driver pay continu[e] to increase,” the TLC determined that more licenses should be issued because “the industry can absorb new vehicles without undermining the gains” achieved due to the license pause.[[83]](#footnote-83) TLC Commissioner David Do indicated that this determination would allow for the building of more infrastructure to handle more EVs within the City.[[84]](#footnote-84)

*The Black Car and Livery Task Force*

In 2020, the Council passed Local Law 92 of 2020, which established The Black Car and Livery Task Force, a task force charged with studying the black car and livery industries for the purpose of identifying challenges to the viability of these industries.[[85]](#footnote-85) This task force was also charged with issuing recommendations for legislation and policy in accordance with the findings of its study.[[86]](#footnote-86) The task force put out several recommendations in its 2021 report, including:

* Improving FHV licensing rules and practices through increasing the number of vehicles affiliated with livery and black car bases via an exemption from the license pause, further regulation of the FHV leasing industry, and exploring the creation of new revenue streams to incentivize adding wheelchair-accessible vehicles to the fleets;[[87]](#footnote-87)
* Modernizing the livery and black car industries through exploring prepayment options and non-cash payments for FHV trips, improving data collections standards for FHV trips, and adopting an electric vehicle plan to increase FHV use;[[88]](#footnote-88)
* Refining TLC enforcement through curtailing illegal street hail activity, expanding outreach and engagement between TLC enforcement officers and livery and black car drivers, and preventing the illegal sale of individual FHV plates;[[89]](#footnote-89)
* Ensuring the continued role of the livery and black car sectors in the City’s transportation network through expanding pick-up and drop-off zones and taxi/FHV stands, increasing the number of taxi/FHV relief stands, and considering the impacts of additional congestion pricing fees on traditional FHV industry segments;[[90]](#footnote-90) and
* Reforming the regulatory environment through facilitating additional vehicle insurance options for drivers, exploring changes to the Livery Fund and Black Car Fund, and maintaining existing restrictions on interior and exterior vehicle advertising.[[91]](#footnote-91)

Ultimately, the task force aimed to present real solutions to challenges faced by the FHV industry. Pursuant to Local Law 92 of 2020, the task force was terminated 180 days after it submitted its final report.[[92]](#footnote-92)

***Uber’s Partnership with Yellow Taxis***

In an effort to help both the HVFHS industry and yellow taxis after the COVID-19 pandemic, Uber announced on March 24, 2022 a partnership with two yellow taxi companies, Curb and CMT, to allow New Yorkers to order a yellow taxi on the Uber app.[[93]](#footnote-93) This is the first large-scale taxi-FHV agreement of its kind in the United States.[[94]](#footnote-94) Fares will be based on Uber’s pricing and policies, including surge pricing, with pricing to be about the same price for a yellow taxi as for a standard individual UberX ride.[[95]](#footnote-95) Under the partnership, yellow taxi drivers will have the option to accept or reject the hail, with pricing presented to them upfront.[[96]](#footnote-96)

***Congestion Pricing’s Impact on Taxis and FHVs***

In recent times, taxi medallion owners and FHV drivers have voiced new concerns regarding the City’s congestion pricing initiative. The initiative would involve implementation of new tolls on vehicles entering Midtown and Lower Manhattan, with the goal of reducing the number of vehicles entering this area by at least 10%, and many taxi drivers see it as a possible threat to their industry.[[97]](#footnote-97) Under the initiative, taxi drivers and FHV drivers would have to pay additional tolls when they drive into these areas, the impact of which would most likely be passed onto customers, increasing fares.[[98]](#footnote-98) This ultimately could drive down passenger demand for taxis and FHVs, with an environmental assessment of the congestion pricing program released by the Metropolitan Transportation Authority (“MTA”) estimating that demand could be reduced by up to 17% due to higher fares caused by congestion pricing.[[99]](#footnote-99) Based on the City’s most recent data, this would mean a decrease on average of about $327,000 per day in revenue for all yellow taxis in the City.[[100]](#footnote-100) Although the MTA is still considering exemptions to and/or discounts in the congestion pricing model, many taxi medallion owners, FHV drivers and driver advocacy groups are still concerned that congestion pricing will increase fares while reducing passenger demand.

***Commuter Vans and Paratransit Vehicles***

Commuter vans in the City are vehicles that have seating capacities of nine to 20 passengers that provide prearranged transportation on a daily basis.[[101]](#footnote-101) Commuter vans are licensed by the TLC and transport passengers over non-specified or irregular routes between a residential zone and a work-related central location, a mass transit facility, a shopping center or a recreational facility.[[102]](#footnote-102) The TLC regulates and licenses commuter vans, commuter van bases and commuter van drivers in the City. For calendar year 2021, based on TLC data, there were 28 authorized TLC-licensed bases for commuter vans, 145 TLC-licensed commuter van drivers, and 34 TLC-licensed commuter vans.[[103]](#footnote-103) The numbers of commuter van bases, commuter van drivers and commuter vans have dramatically decreased in recent years,[[104]](#footnote-104) with some blaming current law limiting TLC-licensed commuter vans by not allowing them to accept hails from prospective passengers in the street, thus limiting commuter van service to only prearranged service. Notably, Res. No. 292 would call on the State to adopt S. 5320, introduced by State Senator Kevin Parker, which would allow commuter vans to accept hails from prospective passengers in the streets and would repeal certain related provisions in City law.

Another TLC-regulated industry is the paratransit vehicle industry. Paratransit vehicles offer individuals in the City with accessible access to transportation, including vehicles equipped with wheelchair lifts or ramps. A specific Paratransit Vehicle License is required for an individual to operate a paratransit vehicle that provides wheelchair-accessible transportation service in the City.[[105]](#footnote-105) In calendar year 2021, there were approximately 835 paratransit drivers, 104 paratransit vehicles and 49 paratransit bases.[[106]](#footnote-106)

The MTA launched the On-Demand E-Hail Paratransit Pilot Program in 2017, allowing some Access-A-Ride users to electronically book taxi rides as needed, for $2.75 a trip.[[107]](#footnote-107) The pilot program has been very popular among users, as it allows for immediate booking whenever they needed a ride, as opposed to Access-A-Ride’s required one-day notice.[[108]](#footnote-108) However, the pilot program is small, with only about 1,200 participants since its inception.[[109]](#footnote-109) As compared to Access-A-Ride’s 548,729 total trips in May 2022, the pilot program had only about 35,000 e-hail trips in the same month.[[110]](#footnote-110) Due to the COVID-19 pandemic, there were delays in doubling the pilot program to 2,400 users, which is now slated to happen by early 2023, although advocates believe that the MTA’s budget crisis may cause additional delays.[[111]](#footnote-111) Ultimately, although run by the MTA, the pilot program impacts FHVs and the TLC, as they are the ones transporting these passengers through their vehicles.

**LEGISLATIVE ANALYSIS**

***Analysis of Res. No. 2***

In 2017, the MTA began the On-Demand E-Hail Paratransit Pilot Program to serve New Yorkers with disabilities and seniors who use paratransit by offering them the option to call a ride when and where they need it “on demand.”[[112]](#footnote-112) Res. No. 2 would call on the State to adopt S. 4037, sponsored by State Senator Leroy Comrie, and A.5896, sponsored by Assemblymember Jeffrey Dinowitz, which would build upon the MTA On-Demand E-Hail Paratransit Pilot Program by continuing the program through March 31, 2023 with the following guidelines: (1) Fares for services would be equal to the MTA base fare charge for subway and bus service; (2) the hours of services would be the same as other bus, subway and paratransit services; and (3) the length and frequency of services would not be restricted.

***Analysis of Res. No. 292***

Commuter vans provide a vital transportation service to New Yorkers. Res. No. 292 would call upon the State to adopt S. 5320, sponsored by State Senator Kevin Parker, to allow commuter vans to accept hails from prospective passengers in the street, and to repeal certain provisions of law relating thereto.

**CONCLUSION**

The City has taken steps to try to alleviate the effects created by the taxi medallion debt crisis. Separately but related, the COVID-19 pandemic placed unprecedented stress on the market for taxi and FHV services. During today’s hearing, the Committee seeks to examine the current state of all of TLC’s regulated industries and assess the needs of passengers, owners and drivers. The hearing will also give Committee Members the specific opportunities to question the TLC and stakeholders regarding the MRP and the MRP Plus, the impact of the ongoing FHV licensing pause and issuance of new FHV EV licenses, the recently announced deal to allow Uber to dispatch taxis, issues related to congestion pricing, and driver pay and welfare.

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Res. No. 2

..Title

Resolution calling upon the New York State Legislature to pass, and the Governor to sign, S.4037/A.5896, legislation to extend and expand the scope of the MTA On-Demand E-Hail Paratransit Pilot Program.

..Body

By Council Members Ayala, Brannan, Menin, Louis, Hanif, Hudson, Bottcher, Farías and Brooks-Powers

Whereas, The Metropolitan Transportation Authority (MTA) “On-Demand E-Hail Paratransit Pilot Program” began in 2017 to serve New Yorkers with disabilities and seniors who use paratransit, by offering them the option to call a ride when and where they need it—“on demand”; and

Whereas, In 2019, the MTA expanded the pilot to double the number of participants, from 1,200 users to 2,400 users, by allowing NYC Transit’s Access-a-Ride (AAR) program to provide more of its trips in taxis and for-hire vehicles (FHV), and extended the pilot through the end of the year; and

Whereas, While the MTA expanded the pilot, they also added severe restrictions, including the implementation of service caps of no more than 16 rides per month and capping the value per ride at $15 per trip, after which users would have to pay the remaining balance; and

Whereas, Such service caps place limits on the geographic mobility of users and imposes a greater financial burden; and

Whereas, No other MTA customer faces rationing of rides or limits on the distance they can travel, and it is inequitable and unjust for MTA to place these restrictions on paratransit users; and

Whereas, The current pilot is cost-effective and good for New York City’s economy, as the average cost of an “On-Demand” paratransit ride is less than $41 and takes up only 1.7% of AAR’s annual budget, while standard AAR rides cost more than $82; and

Whereas, Nearly 7 in 10 New Yorkers with a disability are unemployed, with poor transportation cited by community members as one of the primary reasons why they cannot secure employment, and reliable, “On-Demand” service significantly improves riders’ access to jobs, education, and healthcare, and would help reverse this trend of unemployment; and

Whereas, The “On-Demand” pilot program has facilitated much-needed revenue for yellow and green taxicab drivers, many of whom face debt and unfair competition from ride-hailing services; and

Whereas, S.4037, sponsored by Senator Leroy Comrie, and A.5896, sponsored by Jeffrey Dinowitz, would reasonably and responsibly build upon the MTA On-Demand E-Hail Paratransit Pilot Program by continuing the program through March 31, 2023 with the following guidelines: (1) fares for services would be equal to the MTA base fare charge for subway and bus service; (2) the hours of services would be the same as other bus, subway, and paratransit services; and (3) the length and frequency of services would not be restricted; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to pass, and the Governor to sign, S.4037/A.5896, legislation to extend and expand the scope of the MTA On-Demand E-Hail Paratransit Pilot Program.

Session 12

LS #3947

NAB

1/13/2022

Session 11

M.T.

LS #13679/13680

Res. No. 292

..Title

Resolution calling on the New York State Legislature to pass, and the New York State Governor to sign, S.5320, which would amend the administrative code of the city of New York to allow commuter vans to accept hails from prospective passengers in the street, and would repeal certain provisions of law relating thereto.

..Body

By Council Member Brooks-Powers, the Public Advocate (Mr. Williams) and Council Members Restler, Won and Louis

Whereas, Commuter vans in New York City are motor vehicles with seating capacities of nine to 20 passengers that provide transportation on a prearranged regular daily basis, over non-specified or irregular routes between a residential zone and a work related central location, a mass transit facility, a shopping center or recreational facilities within New York City; and

Whereas, The New York City Taxi and Limousine Commission (TLC) regulates and licenses commuter vans, van bases and van drivers in the City; and

Whereas, As of May 16, 2022, according to the TLC, there were 18 authorized TLC-licensed bases for commuter vans, 123 TLC-licensed commuter van drivers, and 32 TLC-licensed commuter vans; and

Whereas, Under current law, TLC-licensed commuter vans are not permitted to accept hails from prospective passengers in the street and consumers can only make use of the service if they have made arrangements for the service before-hand; and

Whereas, Although commuter vans provide an important service in supplementing New York City’s public transit system, particularly for those that live in transit deserts and areas that lack close, effective and affordable transit options, the current law that requires pre-arrangement of services limits the impact that commuter vans can have on the City; and

Whereas, In addition, as the number of commuter vans, bases and drivers licensed by the TLC has decreased in recent years, allowing TLC-licensed commuter vans to accept hails from prospective passengers in the street would greatly help the industry; and

Whereas, S.5320, introduced by New York State Senator Kevin Parker, would allow commuter vans to accept hails from prospective passengers in the streets and would repeal certain provisions in New York City law, ultimately, resulting in increased access to affordable and effective transportation options for New York City residents, particularly those from areas underserved by current public transit..Title; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to pass, and the New York State Governor to sign, S.5320, which would amend the administrative code of the city of New York to allow commuter vans to accept hails from prospective passengers in the street, and would repeal certain provisions of law relating thereto.

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1. *See* TLC website at <https://www1.nyc.gov/site/tlc/about/about-tlc.page>. [↑](#footnote-ref-1)
2. *Id.* [↑](#footnote-ref-2)
3. *Id*. [↑](#footnote-ref-3)
4. *Id.*  [↑](#footnote-ref-4)
5. TLC, *2011 Annual Report*, available at <https://www1.nyc.gov/assets/tlc/downloads/pdf/annual_report_2011.pdf>. [↑](#footnote-ref-5)
6. Testimony of Commissioner Joshi before the Committee on For-Hire Vehicles, N.Y.C. Council, Mar. 8, 2018. [↑](#footnote-ref-6)
7. TLC, *February 2022 FHV License Review-Report and Determination*, available at <https://www1.nyc.gov/assets/tlc/downloads/pdf/license-pause-report-2022-02.pdf>. [↑](#footnote-ref-7)
8. New York City Council, *Report of the Taxi Medallion Task Force*, January 2020, available at <http://council.nyc.gov/data/wp-content/uploads/sites/73/2020/01/Taxi-Medallion-Task-Force-Report-Final.pdf>. [↑](#footnote-ref-8)
9. *Id*. [↑](#footnote-ref-9)
10. Major Agency Accomplishments 2002–2003, TLC, available at <https://web.archive.org/web/20140211053603/http://www.nyc.gov/html/tlc/downloads/pdf/tlc_accomplishments_12_19_13.pdf>. [↑](#footnote-ref-10)
11. TLC, Medallion Transfers, available at <https://www1.nyc.gov/site/tlc/businesses/medallion-transfers.page>. [↑](#footnote-ref-11)
12. TLC, *2022 Taxi Strategic Plan*, available at <https://www1.nyc.gov/assets/tlc/downloads/pdf/taxi_strategic_plan_2022.pdf>. [↑](#footnote-ref-12)
13. Matthew W. Daus, “NYC Yellow Taxicabs-The Road Ahead!,” Black Car News, July 1, 2022, available at <https://www.blackcarnews.com/article/nyc-yellow-taxicabs-the-road-ahead#:~:text=Based%20on%20sales%20data%20from,an%20increase%20of%20approximately%2074%25>. [↑](#footnote-ref-13)
14. *Id.* [↑](#footnote-ref-14)
15. Brian M. Rosenthal, “They Were Conned: How Reckless Loans Devastated a Generation of Taxi Drivers,” N.Y. Times, May 19, 2019, available at <https://www.nytimes.com/2019/05/19/nyregion/nyc-taxis-medallions-suicides.html>. [↑](#footnote-ref-15)
16. Jose Martinez, “After Signing Medallion Debt Deal, Firm Says Cabbie Union Twisted Arm in New Suit,” The City, June 5, 2022, available at <https://www.thecity.nyc/2022/6/5/23155715/medallion-debt-firm-cabbie-union-new-lawsuit>. [↑](#footnote-ref-16)
17. *Id.* [↑](#footnote-ref-17)
18. TLC, *2022 Taxi Strategic Plan*, available at <https://www1.nyc.gov/assets/tlc/downloads/pdf/taxi_strategic_plan_2022.pdf>. [↑](#footnote-ref-18)
19. *Id.* [↑](#footnote-ref-19)
20. *Id.*  [↑](#footnote-ref-20)
21. *Id.* [↑](#footnote-ref-21)
22. *Id.* [↑](#footnote-ref-22)
23. *See* Local Law 212 of 2018. [↑](#footnote-ref-23)
24. *See* “Letter from Co-Chairs” found in the Report of the Taxi Medallion Task Force, available at <http://council.nyc.gov/data/wp-content/uploads/sites/73/2020/01/Taxi-Medallion-Task-Force-Report-Final.pdf>. [↑](#footnote-ref-24)
25. *Id*. [↑](#footnote-ref-25)
26. *Id*. at 36. [↑](#footnote-ref-26)
27. *Id.* The report defines “Mission-driven investors” as public or private investors who are interested in helping

    over-indebted medallion owners and supporting an iconic New York industry while also earning a moderate return. [↑](#footnote-ref-27)
28. *Id.* [↑](#footnote-ref-28)
29. *See* Press Release, “First Taxi Medallion Owners see Over $5 Million in Debt Relief,” September 25, 2021, available at <https://www1.nyc.gov/office-of-the-mayor/news/650-21/first-taxi-medallion-owners-see-5-million-debt-relief>. [↑](#footnote-ref-29)
30. *See* Taxi Medallion Owner Relief Program at <https://www1.nyc.gov/site/tlc/about/taxi-medallion-owner-relief-program.page>. [↑](#footnote-ref-30)
31. *Id.*  [↑](#footnote-ref-31)
32. *Id.* [↑](#footnote-ref-32)
33. *Id.* [↑](#footnote-ref-33)
34. *Id.* [↑](#footnote-ref-34)
35. *Id.* [↑](#footnote-ref-35)
36. *Id.* [↑](#footnote-ref-36)
37. *Id.* [↑](#footnote-ref-37)
38. *Id.* [↑](#footnote-ref-38)
39. September 27, 2021 TLC virtual meeting on the Proposed Rules for the Taxi Medallion Relief Program, video recording available at <https://www.facebook.com/nyctaxilimo/>. [↑](#footnote-ref-39)
40. Medallion Debt Forgiveness Campaign, New York Taxi Workers Alliance available at <https://www.nytwa.org/debt-forgiveness>. [↑](#footnote-ref-40)
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43. *See* Hearing Transcript of the March 17, 2022 TLC Board Meeting, available for download at <https://www1.nyc.gov/assets/tlc/downloads/About/commission_meeting_transcript/transcript_03_17_22.pdf>. [↑](#footnote-ref-43)
44. *Id.*  [↑](#footnote-ref-44)
45. NYC, Office of the Mayor, News, “Mayor Adams, TLC, Marblegate Asset Management, NYTWA Announce Historic Taxi Medallion Debt Relief Program Deal, Providing Hundreds of Millions of Dollars in Relief to NYC Medallion Owners,” August 30, 2022, available at <https://www1.nyc.gov/office-of-the-mayor/news/629-22/mayor-adams-tlc-marblegate-asset-management-nytwa-historic-taxi-medallion-debt-relief>. [↑](#footnote-ref-45)
46. *Id.* [↑](#footnote-ref-46)
47. *Id.*  [↑](#footnote-ref-47)
48. *See* TLC’s Notice of Promulgation available for download at <https://www1.nyc.gov/assets/tlc/downloads/pdf/MRP_3_for_Mayor_to_sign.pdf>. [↑](#footnote-ref-48)
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50. TLC, *2018 Fact Book,* available at <https://www1.nyc.gov/assets/tlc/downloads/pdf/2018_tlc_factbook.pdf>. [↑](#footnote-ref-50)
51. N.Y.C. Admin. Code § 19-516(a). [↑](#footnote-ref-51)
52. *Id.* at §§ 19-502(u) and (v). [↑](#footnote-ref-52)
53. *Id*. [↑](#footnote-ref-53)
54. Local Law 149 of 2018. [↑](#footnote-ref-54)
55. The term “for-hire vehicle” can be used to refer to liveries specifically, or liveries, black cars and luxury limousines collectively. In this report, for-hire vehicle is used to refer to the broader class of vehicles. [↑](#footnote-ref-55)
56. 35 R.N.Y.C. § 59A-11(e). [↑](#footnote-ref-56)
57. *Id.* [↑](#footnote-ref-57)
58. *Id.* [↑](#footnote-ref-58)
59. *Id.* [↑](#footnote-ref-59)
60. 35 R.N.Y.C § 58B-26. [↑](#footnote-ref-60)
61. 35 R.N.Y.C. § 59B-21. [↑](#footnote-ref-61)
62. *Id.* [↑](#footnote-ref-62)
63. 35 R.N.Y.C § 59B-23 and LL 49 of 2016/19-545. [↑](#footnote-ref-63)
64. 35 R.N.Y.C § 59B-25(h). [↑](#footnote-ref-64)
65. 35 R.N.Y.C § 59B-05. [↑](#footnote-ref-65)
66. *Id.* [↑](#footnote-ref-66)
67. *Id.* [↑](#footnote-ref-67)
68. Local Law 149 of 2018. [↑](#footnote-ref-68)
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70. *Id.*  [↑](#footnote-ref-70)
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72. *Id.* [↑](#footnote-ref-72)
73. *See* TLC’s Notice of Public Hearing and Opportunity to Comment on Proposed Rules, FHV Driver Pay Rules, *See* TLC’s Notice of Public Hearing and Opportunity to Comment on Proposed Rules, Metered Rate Fare Rules. Both available for download at <https://www1.nyc.gov/site/tlc/about/proposed-rules-pilot-programs.page>. [↑](#footnote-ref-73)
74. Local Law 147 of 2018 implemented a moratorium on the issuance of all new for-hire vehicle licenses. The moratorium is still in effect but does not apply to wheelchair-accessible vehicles. [↑](#footnote-ref-74)
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76. TLC, *2014 Taxicab Factbook*, available at<http://www.nyc.gov/html/tlc/downloads/pdf/2014_taxicab_fact_book.pdf>. [↑](#footnote-ref-76)
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90. *Id.* [↑](#footnote-ref-90)
91. *Id.* [↑](#footnote-ref-91)
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