

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON TRANSPORTATION

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February 27, 2017
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HELD AT: Council Chambers-City Hall

B E F O R E:

YDANIS A. RODRIGUEZ
Chairperson

COUNCIL MEMBERS:

DANIEL R. GARODNICK
JAMES VACCA
MARGARAT S. CHIN
STEPHEN T. LEVIN
DEBORAH L. ROSE
JAMES G. VAN BRAMER
DAVID POLLACK G. GREENFIELD
DONOVAN J. RICHARDS
COSTA G. CONSTANTINIDES
CARLOS MENCHACA
I. DANEEK MILLER
ANTONIO REYNOSO

A P P E A R A N C E S (CONTINUED)

Meera Joshi
Chair of the New York City Taxi and Limousine
Commission

David Pollack
President of Taxi Cab Service Association

Peter Mazer
General Counsel to the Metropolitan Taxi Cab
Board of Trade

Michael Keogh
Committee for Taxi Safety

Robert Familant
CEO and Treasurer of Progressive Credit Union

[gavel]

CHAIRPERSON RODRIGUEZ: Morning and welcome to today's hearing of the city council transportation committee. My name is Ydanis Rodriguez, Chair of the committee. First let me recognize my colleagues, Council Member Chin for being with us today. Today we will be considering two important business of legislations that I have introduced. Intro 1474, a local law in relation to taxi cab license which will lower the medallion transfer tax and Intro 1475, a local law in relation to the definition of ownership and use of a licensed taxi cab which would remove many restrictions related to the transfer, transferable, transferability of taxi medallions including those related to so called individual medallions. The yellow taxi is an icon of New York City since the days of a check tier cab yellow taxi have been synonymous with New York for decades serving a vital role in our city's transportation system for those who live, work, and visit here. It is also no secret that today the industry is facing unprecedented difficulties, fares and ridership are down considerable. Daily fair box revenues for

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2 yellow taxi were at ten percent lower in December,
3 2016 than the prior year and 25 percent, and 25
4 percent lower compared to December, 2012. Today
5 total yellow taxi trips per day in April, 2016 were
6 down 8.7 percent compared to April, 2015 and down
7 21 percent compared to April 2010. In the past
8 couple of years, the Mayo Credit Union that have
9 historically served the industry have been taken
10 over by the state authorities and unfortunately
11 many taxis now sit idling even at the busiest times
12 of day, they are now out on the road serving
13 passengers. TLC Joshi last year appealing before
14 this committee you described the medallion market
15 as essentially frozen and testified that you
16 thought it was important for the city to streamline
17 the medallion system and address market obstacles
18 and our rules and laws that we might lower some of
19 the administrative hurdles of owning a medallion
20 hurdles which sometimes make it very difficult for
21 new investors who want to get into this market. You
22 say that you believe we should realign the law to
23 reflect market's realities and not make our laws
24 obstacles to people who are interested in investing
25 in the yellow taxi industry. I'm happy to say that,

1 that this is precisely, precisely what we are here
2 today to discuss. It has long been my position that
3 there can be a place for everyone in our taxi and
4 for hire vehicle industry. New York is a city of
5 opportunity and innovation, we welcome those who
6 want to come here and offer New Yorkers new options
7 for transportation and for making a living but this
8 does not have to come at expense of those who have
9 invested their saving in the taxi industries
10 sometimes for generations. Taxi medallions became a
11 foothold for many newly arrived immigrants in this
12 city looking to achieve the American dream. Their
13 value was not guaranteed by the city relied upon a
14 straight regulatory environment that sometimes goes
15 unenforced. At the same time new entrance into the
16 for hire markets have found loopholes within their
17 regulations that alone with technological
18 innovations place them at a serious advantage
19 compare to traditionally yellow taxis. It is
20 important for those of us in government to
21 regulate, regularly at... reassess whether the law we
22 have in place continue to remain useful as times
23 goes on and circumstances change and when we
24 discover provisions that are outdate or... outdated

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2 or no longer valuable especially when they
3 potentially create an unnecessary burden it is our
4 duty to reevaluate them and make changes that are
5 appropriate for the current situation. When it
6 comes to the taxi and for hire vehicle industry our
7 role is to protect the right of and safety of
8 passengers and drivers and to ensure that the
9 public is served in the best way possible. It is
10 not our job to twist them in the way of investments
11 and opportunities so long as, as industry
12 representatives are adhering to our laws. This is
13 why Intro's 1474 and 1475 seek to help the industry
14 as a whole by allowing foreclosed or parked
15 medallions to get out of the parking lots and serve
16 riders once again. They seek to provide a bit more
17 liquidity to a market that has remained frozen due
18 to a lack of confidence. Ultimately, we want to
19 scale back some of the regulations that have hurt
20 taxis ability to compete and this is a first step
21 in that process. I would like to welcome you Chair
22 Joshi and the other representatives of the
23 administration who are here with us today. Thank
24 you for being here, I hope we would hear from you
25 and your team what way these bills can contribute

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2 to supporting the yellow taxi in New York City and
3 what other steps can be helpful to ensure an even
4 playing field for all industry's players. And I
5 would like to add that... I'm very... I, i... first I
6 would like to thank the committee staff for putting
7 this hearing together; policy analyst Jonathan
8 Masserano, Kafar Salobe, and Emily Rooney, Rooney
9 as well as my staff Jose Lewis and Russell Murphy,
10 thank you. I now ask the council to administer
11 their permission in taking value to deliver your
12 testimony.

13 COMMITTEE COUNSEL: Just raise your
14 right hand. Do you affirm to tell the truth, the
15 whole truth and nothing but the truth in your
16 testimony today and to answer council member
17 questions honestly?

18 MEERA JOSHI: I do.

19 COMMITTEE COUNSEL: Thank you.

20 CHAIRPERSON RODRIGUEZ: Also thank
21 Jenny Cole for being with us here.

22 MEERA JOSHI: Good morning Council
23 Members. With me today is general counsel for the
24 TLC, Christopher Wilson and I'm Meera Joshi, Chair
25 of the New York City Taxi and Limousine Commission.

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2 Thank you for the opportunity to share TLC's views
3 on Intro's 1474 and 75. As always, we appreciate
4 the committees ongoing interest in and support of
5 our agency. Our partnership has produced real
6 results for passengers and for our licensed drivers
7 and I know we'll continue to work together to
8 further improve our cities for hire service. Since
9 the proposed Intros would amend long standing
10 medallion regulations I want to provide you with a
11 brief history of the medallion. The medallion is
12 the physical object placed on yellow taxis that
13 conveys the exclusive right to do street hails
14 throughout New York City. The medallion system
15 began in 1937 through the Haas Act which enacted...
16 was enacted in order to address an overabundance of
17 taxi cabs on the street. The Haas Act froze the
18 number of taxi cab licenses to those which existed
19 at the time of enactment which was 13,500 and set
20 the ratio of corporate medallions which are
21 typically owned by corporations and must be owned
22 in groups of two or more with no limit on the
23 number of... that can be owned to independent
24 medallions which can only be owned by an individual
25 whose limited to owning just one. That ratio set by

1 the Haas Act is 58 percent to 42 percent, 58
2 percent corporate, 42 percent independent. The Haas
3 Act codifies a definition of an independent
4 medallion and limited the purchasing to only one.
5 When authorized by the state medallions are sold at
6 an auction conducted by the TLC to the highest
7 qualified bidder. Medallion can also be sold for a
8 price negotiated by the owner and buyer on the
9 secondary market. Historically independent
10 medallions have sold for less than corporate
11 medallions as independent medallions can only be
12 sold to an individual who doesn't own any other
13 medallions. Since the enactment of the Haas Act the
14 number of active medallions has fluctuated dropping
15 down to 11,787 in the 40's to today where we have
16 13,587 medallions serving the city. Between 1996
17 and 2014 there's been several auctions and hundreds
18 of medallions have been sold some of those auctions
19 for medallion... were for medallions that must be
20 attached to hybrid fuel vehicles... I'm sorry, hybrid
21 vehicles and some were for medallions that must be
22 attached to accessible vehicles. In December, 2013
23 the TLC reached an agreement with disability rights
24 organizations to phase in wheelchair accessible
25

1 medallion taxi cabs so that 50 percent would be
2 accessible by 2020. Corporate mini fleets with two
3 vehicles must have at least one vehicle hacked up
4 with an accessible and mini fleet with two or more
5 must have at least half of their medallions
6 assigned to an accessible. Independent medallion
7 owners were entered into a lottery that determined
8 when they would need to be hacked up with an
9 accessible vehicle. As the medallion industry, has
10 changed significantly in the last years the TLC has
11 also tried to ease unnecessary burdens on the
12 medallion system. For example owner, must drive
13 rules which set a minimum amount of hours
14 independent medallions can be driven by their
15 owners per year were established in 1990 as a
16 result of better driver training the rules were
17 revised in 2011 reducing the number of hours
18 required and expanding the definition of ownership
19 to include four people. The number or required
20 owners was again... hours, I'm sorry, was again
21 reduced in 2015 and the rule was finally repealed
22 in 2016. Now potential buyers of independent
23 medallions do not have to be concerned with driving
24 minimum amount of hours. Additionally, the TLC has
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2 amended vehicle retirement requirements for
3 independent medallions and corporate medallions.
4 The vehicle retirement schedule for independent and
5 corporates varied between five and three years
6 respectively however in the past year the TLC has
7 changed the retirement schedule to seven years for
8 all vehicles. Similarly, the rules regarding
9 vehicle partitions for independent and corporate
10 medallions were quite distinct. Independent owners
11 had the choice of either installing a partition or
12 an in-vehicle camera system while corporate
13 medallions were required to have a partition. In
14 2016 the TLC removed the differing requirements
15 allowing owners to decide whether to use a
16 partition or and in camera... vehicle camera system.
17 Last year as a result of council legislation
18 originated in this committee the TLC created a
19 universal TLC driver's license which allows
20 flexibility for drivers to work across different
21 platforms and allows medallion owners to recruit
22 from the entire pool of drivers now 155,000,
23 previously they were limited to those drivers
24 qualified to drive medallions before the adoption
25 of the universal license which was about 50,000

1 drivers. So, the TLC generally supports both intros
2 as they would make buying and selling a medallion
3 more like the sale of their transferable TLC
4 licenses such as a base license or a green taxi
5 permit. Intro 1474, turning to the proposed
6 legislation Intro 1474 would amend the
7 administrative code to decrease the transfer tax
8 that is assessed on each transfer of a taxi cab
9 license or interest from five percent to one half
10 of one percent. The proposed amendment would reduce
11 the amount of the tax the seller of a medallion
12 must pay upon completing the sale. The current
13 transfer tax of five percent creates a burden for
14 sellers who may be deterred by the amount of money
15 they would owe upon completion of the transfer. For
16 example, if an owner sold a medallion for \$500,000
17 the transfer tax owed would be \$25,000 reducing it
18 to lesser percentage that would align medallion
19 requirements more closely with the requirements of
20 all of our other licensees. I note that there is no
21 other city transfer tax due on the transfer of a
22 base or a green taxi permit and while we support
23 the reduction of the transfer tax we believe that
24 the sunset provision is unnecessary and indeed
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1
2 counterproductive. A lower transfer tax rate may
3 increase medallion transfers but if this benefit is
4 only temporary there's little incentive for buyers
5 to enter the market knowing that in a short term
6 they'll be burdened with a heavy transfer tax which
7 will depress future sales. We recommend against the
8 sunset provision that because it would nullify the
9 impact of the proposed transfer tax reduction.
10 Medallion transfer, Intro 1475, the next Intro
11 number 1475 would amend section 19504 the
12 administrative code which grants the commission the
13 authority to revoke any license after 60
14 consecutive days of non-use as long as that non-use
15 was not caused by strike, riot, public catastrophe
16 and acts beyond the control of the owner or
17 disability of the owner. First Intro 1475 would
18 change TLC's revocation of a license for non-use
19 from mandatory to permissive. The TLC recommends
20 leaving this provision unchanged, the language that
21 requires revocation helps to ensure that the
22 licensees not only place vehicles into service but
23 also keep them in service. Mandatory revocation is
24 a powerful tool that ensures licensees make every
25 effort, effort to keep their vehicles on the road.

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2 Permissive revocation would not adequately express
3 the serious consequences of not complying with this
4 service requirement. Since the TLC is in the
5 process of overseeing 50 percent of the fleet
6 convert to accessible vehicles this provision could
7 play an important role in ensuring the requisite
8 number of vehicles are available. As the city's
9 transportation demands increase it is important to
10 maintain this provision so that there is a
11 mechanism by which the TLC can ensure that the
12 licensees provide sufficient level of service and
13 accessible service. Intro 1475 would also add
14 foreclosure and voluntary transfers surrender of a
15 medallion in lieu of foreclosure as instances where
16 non-use would result in revoke... Would, would not
17 result in revocation. The TLC recommends that these
18 circumstances not be included, they would create a
19 loophole large enough to defeat the mandatory
20 service requirements of the regulation. 19504, the
21 medallion ratio, Intro 1475 would also repeal to
22 subdivision I of section 19504 the administrative
23 code which requires the current ratio between
24 corporate medallions and independent medallions be
25 58 to 42. The TLC supports repeal of this

1 subsection. The TLC's found the distinction between
2 corporate and independent medallions no longer
3 serves its original purpose to create a path to
4 ownership for drivers and we've taken actions to
5 conform our rules accordingly. More recently we
6 eliminated one of the main distinctions between
7 independent medallions and corporate medallions.
8 Prior to the change owners of independent needed to
9 drive a certain amount of hours per year while
10 corporate owners could be passive investors.
11 Initially the TLC reduced the number of required
12 hours but ultimately repealed the driving
13 requirement completely. As a result of this repeal
14 independent medallion owners may now sell their
15 medallion to any qualified buyer as opposed to
16 searching for a buyer that is willing to personally
17 drive. The proposed repeal would create a larger
18 market for independent medallion owners as they
19 could sell freely to any qualified party including
20 other owners. The TLC fully supports these measures
21 to reduce regulatory obstacles in the medallion
22 market. Intros 1475 would also amend subsections A
23 and C of 19512 of the administrative code which set
24 out the requirements that must be met before a taxi
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1 cab license is transferred. Specifically,
2 subdivision A states that a taxi cab license can
3 only be transferred to a person whom the commission
4 deems qualified and or either the transferee or
5 transferor shall secure a bond to cover all
6 outstanding toward liabilities. Subdivision B does
7 not permit transfer of a taxi cab license where
8 there's an outstanding judgement against the holder
9 of the license unless the owner posts a bond.
10 However, a bond is not needed where the owner is
11 able to obtain written permission from a judgement
12 creditors or if the proceeds of the sale are paid
13 into escrow. Subdivision C allows an owners
14 interest in a taxi cab license to be transferred
15 involuntarily when that involuntary transfer occurs
16 a new license to be issued to the purchaser of
17 vendee. In the case of an involuntary transfer by
18 reason of a tort judgement against the involuntary
19 transferor no bond would be needed with respect to
20 the judgement. The proposed amendments to A and C
21 would carve out an exception for creditors of taxi
22 cab licensees and agents whom come into possession
23 of the taxi cab license. These parties would not be
24 subject to the requirements of subdivision A
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1 specifically they would not be required to file a
2 bond to cover outstanding tort liabilities in
3 excess of the amount covered by the bond or
4 insurance policy. Instead of these limited
5 revisions the TLC believes that subdivisions A, B,
6 and C of 1912 should be repealed in their entirety
7 because the goal they are meant to achieve, the
8 financial protection of person's involved in a
9 crash are already address by state tort law and TLC
10 insurance requirements. When tort law... claims arise
11 after a crash the TLC's insurance requirements
12 which generally exceed state... which greatly exceeds
13 state minimums obviate for the need for any
14 additional bond to protect passengers or others
15 harmed in a collision. Furthermore, this
16 requirement does not exist for any other TLC
17 license type. The removal of this requirement would
18 remove another impediment to transfers which the
19 TLC fully supports particularly because it provides
20 no real protection or advantage to the person who
21 had been injured. 19... 19513; Intro 1475 would also
22 amend section 19513 of the administrative code
23 which allows medallions that are transferred
24 involuntarily because of a default to be operated
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2 by the purchaser of the owner's interest. The
3 proposed amendment to subdivision A would add
4 transfer by surrender of the type of transfers
5 covered. The proposed amendment would also add the
6 default of an obligation secured by security
7 interest to the types of defaults covered.
8 Additionally Intro 1475 would repeal the
9 requirement that a one year temporary license be
10 issued to the purchaser. The Intro would also add
11 subdivision B to 19513 which permits a licensed
12 agent or purchaser of a taxi cab license that was
13 transferred involuntarily or as a result of
14 surrender of kind default of an obligation to
15 operate the taxi cab license for a period of at
16 most three years. The TLC does not believe that the
17 proposed amendment to subdivision A and B of 513
18 are necessary. The amendment seemed to address the
19 need of secured parties to operate multiple
20 medallions that come into their possession however
21 if the distinction between corporate and medallion..
22 and individual medallions is repealed as is also
23 contemplated by 1475. The ownership requirements
24 that previously impeded a secured party from
25 operating medallions specifically independent

1 medallions would no longer be in place. We believe
2 changes such as these that ease the process of
3 buying and selling medallions can have a positive
4 effect on the industry but the sunset provision
5 which repeals the law after two years would
6 completely undo this work. It would create
7 uncertainty for purchasers whose medallions might
8 be then subject to a different regulatory system
9 under repeal. For that reason, the sunset provision
10 would severely limit any positive effect of
11 allowing broader ownership of medallions. Moreover,
12 it's unclear what a temporary repeal of 19504-I
13 would mean to medallion owners upon reactivation of
14 the ownership limitations and what consequences
15 would result for owners of more than one formally
16 independent medallions. For these reasons the
17 sunset provision should be removed from Intro 1475.
18 Thank you for the opportunity to testify on these
19 bills and I'm happy to answer any questions you may
20 have.
21

22 CHAIRPERSON RODRIGUEZ: Thank you
23 commissioner. I would like to acknowledge my
24 colleague who is here, Council Member Menchaca,
25 Vacca, Van Bramer, Richards, Greenfield, Dan

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2 Garodnick, Rose, Miller, Reynoso, and Levin. I will
3 pause from those two bills... the discussion of those
4 two bills and we will take the time to vote on two
5 bills and are providing New Yorker in New York
6 transportation options. Intro A... 873-A from Council
7 Member Levin and 267-A from Council Member Mendez
8 will establish a car share pilot program putting
9 safe cars, cars to go and more on our streets and
10 municipal parking garage to the convenience of New
11 Yorkers. The long term aim of this program will be
12 to lower car ownership for drivers in transit rich
13 areas when you need a car no... for longer trips you
14 can use a car share but for all other the train is
15 also there as buses and ferry and bicycle. So now I
16 would like call Council Member Levin who has a few
17 words on his bill.

18 COUNCIL MEMBER LEVIN: Thank you Chair
19 Rodriguez for being such a strong leader on this
20 issue and for expediting this important legislation
21 through the legislative process. You know there are
22 about a million and a half households in New York
23 City that own cars and as anyone who has ever tried
24 to look for parking in the five boroughs knows
25 there's just... it's just getting too difficult and

1 too congested and too crowded, we need to offer New
2 Yorkers an alternative and for those New Yorkers
3 who need a car sometimes but don't need one
4 everyday car sharing is an excellent solution that
5 allows many different families to share one car in
6 effect which relieves the parking congestion
7 problem for everybody and has all sorts of
8 environmental benefits as well but for car sharing
9 to work we need to have locations all over the city
10 that are convenient to New Yorkers where these cars
11 can be parked and offering a limited number of on
12 street spaces for that purpose is exactly the kind
13 of solution that we need to expand this option for
14 New Yorkers in congested neighborhoods and New
15 Yorkers with lack of access to transit and other
16 parts of the city where people can benefit by this
17 exciting new option and I'm excited that we're
18 moving forward on legislation to establish this
19 pilot program today and again I want to thank the
20 leadership of Chair Rodriguez in helping to
21 shepherd this important bill forward. Thank you.

22
23 CHAIRPERSON RODRIGUEZ: Thank you
24 Council Member and now the counsel will call for
25 the role.

COMMITTEE ON TRANSPORTATION

22

COMMITTEE CLERK MARTIN: Lee Martin

Committee Clerk, roll call vote, Committee on
Transportation, Chair Rodriguez? Garodnick? Vacca?

COUNCIL MEMBER VACCA: Aye.

COMMITTEE CLERK MARTIN: Chin?

COUNCIL MEMBER CHIN: Aye.

COMMITTEE CLERK MARTIN: Rose?

COUNCIL MEMBER ROSE: Aye.

COMMITTEE CLERK MARTIN: Van Bramer?

COUNCIL MEMBER VAN BRAMER: Aye.

COMMITTEE CLERK MARTIN: Greenfield?

COUNCIL MEMBER GREENFIELD: Aye.

COMMITTEE CLERK MARTIN: Richards?

COUNCIL MEMBER RICHARDS: Aye.

COMMITTEE CLERK MARTIN: Menchaca?

COUNCIL MEMBER MENCHACA: Aye.

COMMITTEE CLERK MARTIN: Miller?

COUNCIL MEMBER MILLER: Aye.

COMMITTEE CLERK MARTIN: Reynoso?

COUNCIL MEMBER REYNOSO: [off mic] Aye.

COMMITTEE CLERK MARTIN: By a vote of
11 in the affirmative, zero in the negative, and no
abstentions both items have been adopted by the
committee.

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2 CHAIRPERSON RODRIGUEZ: Thank you. I
3 have a few questions and both of my colleague also
4 have others. One is what, what factor do you think
5 has contributed to the changes of the current
6 market value for taxi medallions.

7 MEERA JOSHI: I think the... one of the
8 most prominent factors is increased competition so
9 five years ago, the black car sector was between
10 five and six thousand vehicles and today its, you
11 know 30 to 40, I, I'll get the exact number for
12 you. so, the number of vehicles that, that are
13 providing for hire service has risen significantly
14 and many of them are providing for hire service in
15 Manhattan where taxi cabs have traditionally
16 provided that service so with more competition I...
17 and ridership and trips declining the value has
18 followed.

19 CHAIRPERSON RODRIGUEZ: And my other
20 question is one, one alternative to eliminate the
21 distinction between individual and mine fleet
22 medallions is to allow a lending institution to
23 have foreclose on an individual medallion to
24 operating essentially as a mini fleet medallion
25 either temporary or permanently, permanently with

1
2 the new changes how... what impact do you think it
3 will have on...

4 MEERA JOSHI: I think that the change
5 that's in, intended by the repeal completely of I
6 is broader than just for banks and it's for
7 everybody so that it allows people who currently
8 own one independent medallion could theoretically
9 buy more of them; banks that are given the choice
10 of operating or foreclosing on independent
11 medallions actually have that choice and people
12 that haven't been in the market before may have new
13 interest in the market knowing that there's less
14 regulation around the asset.

15 CHAIRPERSON RODRIGUEZ: Great. I have
16 other questions but my colleague also has
17 questions. Council Member Chin?

18 COUNCIL MEMBER CHIN: Thank you. Chair
19 Joshi thank you for the testimony, thank you for
20 the lesson about the history of cabs and
21 medallions. I represent lower Manhattan so I have
22 lots of taxis down here and recently we also have a
23 lot of these cars that people get with the apps,
24 right, the... all these conveniences but what I'm
25 finding is that in my district it's causing a lot

1
2 of congestions, a lot of idling and the air quality
3 so is TLC doing something to really... to have some
4 proper enforcement because there are more and more
5 of these vehicles now on the street?

6 MEERA JOSHI: Its beyond our
7 jurisdiction to enforce the number of vehicles that
8 you're seeing on the street but we do have anti-
9 idling provisions that we can summons for and do
10 summons for and they're training on that is
11 required under the add code.

12 COUNCIL MEMBER CHIN: Excuse me, you
13 said that they had to be trained when they're...
14 [cross-talk]

15 MEERA JOSHI: ...they're, they're taught
16 through tax... through the TLC school that they're
17 not allowed to idle that' part of the training and
18 that's actually required under the city council law
19 and it is something that can be enforced by TLC
20 inspectors or the P-D.

21 COUNCIL MEMBER CHIN: But that would
22 require community people to call in complaints?

23 MEERA JOSHI: Or observation.

24 COUNCIL MEMBER CHIN: Okay.

25 MEERA JOSHI: Yeah.

1
2 COUNCIL MEMBER CHIN: Well we, we
3 definitely have to work on that. One of the, the
4 issue that I personally experience what I seen
5 it's, it's sort of like... when you're talking about
6 increasing, you know competition right now the
7 yellow cab industry is in trouble and I think the
8 legislation... you know that Chair Rodriguez
9 introduced... trying to help but I think that we
10 didn't look at it kind of comprehensively before
11 all this expansions of all these apps because just
12 like the green cab, right that only limits to the
13 other boroughs and north of Manhattan and that's
14 been helpful to the other neighborhoods but like
15 the, the e-hail, I've seen some of my constituents,
16 it's just a matter of convenience, right, they
17 could of just walked down to the corner and get a
18 yellow cab instead they want somebody to pick them
19 up right in front of their house and that cause a
20 lot more congestion in lower Manhattan and it's a
21 problem, it's a growing problem in my district
22 especially now you know that we have increased
23 population and some of my other constituents are
24 complaining about the, the congestion especially on
25 a narrow street so something is... we've just got to

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2 find that, you know balance on one hand yeah it is
3 convenient but the negative effect that it's
4 causing in the neighborhood is something that we
5 also have to figure out whether it's... there should
6 be some limit on this convenience and also looking
7 at an industry that's been serving the city for a
8 very, very long time how are we helping them
9 improve especially now when a lot of cab drivers
10 are immigrant, you know they're making money, they
11 try to survive and they're having a very, very
12 difficult time. That's, that's something that I
13 think we really have to take a more comprehensive
14 look and, and try to sort of tackle this issue, I
15 think the legislation that the Chair has introduced
16 is a step forward but I think we still got a long
17 way to go.

18 MEERA JOSHI: Yeah and I, I think when
19 you mentioned earlier the crowding on the streets,
20 there... you know there's many factors that go into
21 that and I think... even today there was a recent
22 study that was made public that there is more
23 activity in Manhattan in the for hire sector than
24 there was even two years ago. So, it's something
25 that... you know that TLC is one part of it but it's

1
2 a larger... the, the problem is larger and the
3 solution is larger.

4 COUNCIL MEMBER CHIN: Yeah, I mean
5 right now we don't, we don't have... we used to have
6 all these black cars parking in front of the big
7 corporations and now it's the E-hail way but it...
8 just like... it's an area... especially lower
9 Manhattan, it's an area that has lots of yellow
10 cabs and they're on the main street and they're
11 everywhere but instead we also are getting more
12 traffic from the E-hail so we really have to look
13 at it seriously how do we help this industry that
14 has served our city for so long and they also are
15 helping, you know immigrant families who are really
16 trying to make a living and now they're, they're
17 struggling. Thank you Chair.

18 MEERA JOSHI: Thank you.

19 CHAIRPERSON RODRIGUEZ: Council Member
20 Miller?

21 COUNCIL MEMBER MILLER: Thank you Mr.
22 Chair. Good morning commissioner. So, I, I think
23 that we're, we're pretty clear on our objectives
24 here and what we're trying to accomplish but I, I,
25 I think from what I was hearing from your testimony

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2 that you're not in a 100 percent agreement as to
3 how we achieve those goals, could you further
4 elaborate on how... [cross-talk]

5 MEERA JOSHI: ...yeah as I was reading...
6 [cross-talk]

7 COUNCIL MEMBER MILLER: ...some... [cross-
8 talk]

9 MEERA JOSHI: ...the testimony I realized
10 it's a little dry...

11 COUNCIL MEMBER MILLER: Yeah, yeah,
12 yeah.

13 MEERA JOSHI: So let me just summarize,
14 we're... it... we... in support of the complete repeal of
15 the distinction between independent and corporate
16 medallions so that we should free up ownership and
17 there shouldn't be the restriction on you can only
18 one medallion so that's the first thing just
19 getting rid of the restriction that only... that 42
20 percent of owners can only own one medallion,
21 getting rid of that and let 100 percent of the
22 owner, owners own as many medallions as they want.
23 The second one is today we have the ability to
24 revoke a medallion license if it is not... if the
25 vehicle's not being put in service and that has to

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2 do with our charter mandate because we are by
3 mandate looking at... we regulate the for-hire
4 service as it relates to public transportation so
5 the fact that the public needs service is part of
6 something we have to look at. Historically we have
7 not revoked people's medallions because the cars
8 are not in service but we are in, in different
9 times now and there may come a day when we need to
10 make sure that those cars are in service and we
11 wouldn't want to give up that important tool
12 especially as we move to make the fleet 50 percent
13 accessible and we want to ensure there's accessible
14 service out there. The third thing is getting rid
15 of an archaen requirement, two of them that there
16 be something called a tort letter and a bond put up
17 ensuring when there's a transfer that if there's
18 outstanding liabilities that they're all covered,
19 it is a protection that's really amounted to
20 nothing but paperwork being exchanged by parties
21 and probably lawyers making some money but it
22 hasn't actually benefited the public and that's
23 because there's already existing laws that benefit
24 the... [cross-talk]

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2 COUNCIL MEMBER MILLER: ...right... [cross-
3 talk]

4 MEERA JOSHI: ...public...

5 COUNCIL MEMBER MILLER: ...so, so in, in
6 the interest of time as we talk about public
7 interest and we want to talk about one of the
8 things specifically that you mentioned and, and,
9 and this amendment in which you would like to see
10 is, is, is multiple medallion ownerships and is, is
11 that in terms of the industry is that counter to
12 what we were trying to accomplish initially in
13 having individuals entrepreneurship and is that
14 something that you see as no longer possible under
15 this new system?

16 MEERA JOSHI: So I think it... originally
17 the independent medallion was created so a driver
18 has a way up, a driver has a way to buy a medallion
19 because the price would always be depressed because
20 you had this ownership limitation. What happens and
21 even by 2011, you know it was already well under
22 way is the price of the independent had gotten so
23 high that it was out of the reach, you know it was
24 \$800,000, \$900,000, it was out of the reach of one
25 driver to save up to buy... purchase a medallion...

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2 COUNCIL MEMBER MILLER: ...so, so have we
3 conceded that notion of individual independent
4 ownership in this industry?

5 MEERA JOSHI: If the prices are as high
6 as a million dollars, yes, if the prices come down
7 an independent owner... a, a single person can buy...
8 [cross-talk]

9 COUNCIL MEMBER MILLER: ...buy... [cross-
10 talk]

11 MEERA JOSHI: ...the medallion... [cross-
12 talk]

13 COUNCIL MEMBER MILLER: ...buy... [cross-
14 talk]

15 MEERA JOSHI: ...again... [cross-talk]

16 COUNCIL MEMBER MILLER: ...by... [cross-
17 talk]

18 MEERA JOSHI: ...yeah... [cross-talk]

19 COUNCIL MEMBER MILLER: ...saying that we
20 want in... for you to be able to own as, as many as
21 you can... [cross-talk]

22 MEERA JOSHI: ...that doesn't... [cross-
23 talk]

24 COUNCIL MEMBER MILLER: ...spare... [cross-
25 talk]

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MEERA JOSHI: ...foreclose the small business person wanting to own one at all, this change... [cross-talk]

COUNCIL MEMBER MILLER: ...we still have but we... there is still a limited amount of medallions available, correct?

MEERA JOSHI: There is a limited amount of medallions available but I don't think our concern right is that there's not enough medallions.

COUNCIL MEMBER MILLER: For individuals?

MEERA JOSHI: Right.

COUNCIL MEMBER MILLER: Or... or... [cross-talk]

MEERA JOSHI: ...should they... [cross-talk]

COUNCIL MEMBER MILLER: ...are we... are... so are we that concerned about the industry that we're willing to come back and visit that as... [cross-talk]

MEERA JOSHI: ...so... [cross-talk]

COUNCIL MEMBER MILLER: ...another time...

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2 MEERA JOSHI: This doesn't... I, I, I'd
3 want to make clear getting rid of the corporate
4 independent distinction doesn't mean an individual
5 can't buy a medallion, it doesn't mean that at all.

6 COUNCIL MEMBER MILLER: In theory?

7 MEERA JOSHI: In theory and in reality,
8 because as the price comes down it becomes more
9 attainable for an individual person to... [cross-
10 talk]

11 COUNCIL MEMBER MILLER: ...okay, I'm...

12 [cross-talk]

13 MEERA JOSHI: ...buy... [cross-talk]

14 COUNCIL MEMBER MILLER: ...I'm sorry, so...
15 and, and what I really wanted to know was what,
16 what, what has been the impact of the, the, the,
17 the declining industry on the city and it's
18 financing in terms of revenues and sales and taxes?

19 MEERA JOSHI: Well we haven't had a
20 medallion auction recently and that's generally
21 the, the revenue that the city gains, there are
22 some scheduled for out... [cross-talk]

23 COUNCIL MEMBER MILLER: ...recently as in
24 how recent?

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2 MEERA JOSHI: The last medallion
3 auction was in 2014 but we don't, we don't generate
4 any revenue on... what we generate... actually there is
5 an impact, we generate a, a transfer tax revenue on
6 the transfers on the secondary market and one of
7 these bills contemplates reducing that from five
8 percent to point five percent, the impact of that
9 on the city we don't know because it depends what
10 the frequency of transfers are but we know if we
11 looked backwards how much we collected it would
12 reduce the city's transfer tax intake about 1.5
13 million per year.

14 COUNCIL MEMBER MILLER: Thank you,
15 thank you Mr. Chair.

16 CHAIRPERSON RODRIGUEZ: Menchaca?

17 COUNCIL MEMBER MENCHACA: Thank you
18 Chair and thank you Council Member Miller for those
19 lines of questions it just made me think a little
20 bit about the, the kind of outreach you're doing
21 maybe within the industry's itself and, and, and
22 kind of comparing maybe responses to these
23 questions, the, the kind of bigger questions and,
24 and, and kind of the infrastructure that we're kind
25 of laying out. What is, what is labor telling you

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2 at this point and what kinds of communication have
3 kind of opened about some of the things that are
4 kind of coming from them and, and comparing those
5 to some of the new industries like Uber and Lyft
6 and others on the car sharing side?

7 MEERA JOSHI: By labor do you mean
8 drivers groups...

9 COUNCIL MEMBER MENCHACA: Well the
10 drivers specifically the... [cross-talk]

11 MEERA JOSHI: ...yeah... [cross-talk]

12 COUNCIL MEMBER MENCHACA: ...drivers and
13 the workers?

14 MEERA JOSHI: So we... drivers you know
15 they... they're, they're... we now have what's called a
16 universal license so it's not as easy to
17 categorize, categorize drivers as yellow drivers,
18 green drivers, app drivers because they can drive
19 anything and most of them do switch back and forth
20 because, you know variety is helpful for increasing
21 your income. They're most common complaints are...
22 there, there are two, one, why do you guys ticket
23 us so much, that's... I'll be frank... [cross-talk]

24 COUNCIL MEMBER MENCHACA: ...surprise,
25 surprise...

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2 MEERA JOSHI: ...you know that's, that's
3 honest and, and two, they're... we do get some
4 complaints about earnings because there are more
5 drivers now than there have been probably since the
6 time of when we started counting how many drivers
7 there are, we now have over 155,000 drivers so
8 there is some sense that with that kind of
9 saturation it, it is harder. Now we know that those
10 are complaints that we get anecdotally.

11 COUNCIL MEMBER MENCHACA: Thank you for
12 that and is, is there, is there an official way
13 that, that you, you bring in that voice into, into
14 your, into the, the commissioner's office at this
15 point?

16 MEERA JOSHI: We do a lot of outreach
17 and encourage the drivers groups to meet with us
18 and bring individual complaints, we also do
19 outreach through radio programs where we encourage
20 individual drivers to contact us because sometimes
21 drivers may feel that a group doesn't adequately
22 represent their concerns so we want to make sure
23 that, that the group representation isn't a barrier
24 for them to contact us and we do a lot of community
25 events to make sure that people understand that

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2 our, our outreach unit is ready and able to take in
3 information. We also have a driver protection unit
4 which we, we publicize that number for any driver
5 that feels that they are having trouble with their
6 base or garage they can contact the driver
7 protection unit.

8 COUNCIL MEMBER MENCHACA: And on that,
9 on that kind of list of... it'd, it'd be good just
10 to... maybe we can do this offline just going to get
11 a good, good sense about what that, what that looks
12 like and how we can enhance that conversation
13 because we were just talking and, and we were
14 saying how, how quickly this, this is changing for
15 so many people and really making sure we're
16 connected to the drivers, the workers on the ground
17 is going to be important and things like radio for
18 example and, and really expanding the market impact
19 or like market saturation of the conversation in
20 ethnic media for example and something that...

21 [cross-talk]

22 MEERA JOSHI: ...yeah, we do actually
23 this is the... last two years is the first time we've
24 really made a push to make sure all our notices are
25 in ethnic media and translated into many more

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2 languages then they had been historically and I
3 think that's been helpful.

4 COUNCIL MEMBER MENCHACA: I, I, I tend
5 to agree on the concept, you're right I think that
6 is helpful in, in how we can measure... how, how... we
7 got to measure success too in making sure that
8 we're, we're going to the right vehicles of
9 information both radio, newspaper and, and really
10 go, go where the workers are and the workers are
11 many of them immigrant, immigrant workers that are
12 going to be touched and very particular ways so
13 this is something that the immigration committee is
14 doing in a lot of ways and we'd like to work with
15 you and your team to think about how... [cross-talk]

16 MEERA JOSHI: ...we look forward... [cross-
17 talk]

18 COUNCIL MEMBER MENCHACA: ...how to get
19 that... [cross-talk]

20 MEERA JOSHI: ...to that... [cross-talk]

21 COUNCIL MEMBER MENCHACA: ...outreach
22 even more, more effective but being able to measure
23 how much over time have you increased ethnic media
24 investment and, and looking over time how that's
25 actually influenced driver, driver responses and

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2 that way you can kind of confirm the tickets
3 question and the earnings question and... so it'd be
4 good to figure out how we can do that and work
5 together as a team.

6 MEERA JOSHI: I look forward to it.

7 COUNCIL MEMBER MENCHACA: Thank you so
8 much.

9 MEERA JOSHI: Thank you.

10 CHAIRPERSON RODRIGUEZ: Thank you
11 Council Member. Commissioner when was the last, the
12 last auction of medallion, was 2014?

13 MEERA JOSHI: The last auction, 20...
14 March of 2014.

15 CHAIRPERSON RODRIGUEZ: 14?

16 MEERA JOSHI: Yes, March of 2014, yeah.

17 CHAIRPERSON RODRIGUEZ: So definitely
18 the city will benefit, right if we can be able to
19 see an increase of activity so medallion,
20 medallion... yearly medallion transfer and more
21 interest from the... in the market because we've been
22 losing millions of dollars... not losing but we have
23 not been able to get the revenue for the city in
24 the last couple of years because the lack of

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2 interest in transfer or selling of medallions,
3 right, is that accurate?

4 MEERA JOSHI: I think anything that
5 takes away what may be seen as barriers to moving
6 medallions... either selling medallions or new people
7 coming in and buying them would be helpful for the
8 market.

9 CHAIRPERSON RODRIGUEZ: Great... [cross-
10 talk]

11 MEERA JOSHI: ...which it... I just want to
12 stress that there's two sunset provisions that I
13 think could really undermine any of the benefit
14 that you get from getting rid of the independent
15 corporate distinction and lowering the transfer tax
16 and there... in both bills they're both two-year
17 sunset. When we speak to banks or, you know people
18 that are interested in investment or have
19 investments they're... you know they're planning and
20 they report to regulators and they need to know
21 what the legal landscape is if the good work that
22 is done by these bills is set to be undone or
23 reviewed in, in two years that makes investors and
24 banks and, and regulators somewhat suspect that,
25 that there's stability in the market and I don't

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2 blame them if you... if you're an independent
3 medallion today to... on... should this bill pass
4 tomorrow you're a corporate medallion but in two
5 years maybe you'll be an independent medallion
6 again beyond being completely unable to track that
7 administratively that gives no surety to the
8 purchaser that their investment has the same
9 ability it had the day that they bought. So, I
10 think, you know happy to, to report out to council
11 how these changes are progressing but to put a
12 sunset on either bill would really undercut the
13 good work that you're doing through the bills.

14 CHAIRPERSON RODRIGUEZ: Right. So,
15 let's continue the conversation and thank you for...
16 me and, and my colleague has... don't have other
17 question so thank you and again... [cross-talk]

18 MEERA JOSHI: ...thank you... [cross-talk]

19 CHAIRPERSON RODRIGUEZ: ...this is only
20 the beginning of our effort to a continuing working
21 only with TLC but we all a stakeholder of this
22 industry approaching something that it has been
23 really hurting like many great, hardworking New
24 Yorkers, we have more than 6,000 independent
25 medallion holders in our city so this is not only

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2 for... this would not only benefit a person or
3 individual that has... and corporation can have a
4 couple of 100 medallions this is about 6,000
5 independent medallion owners who rely on those
6 values to apply for a loan, try to get a mortgage
7 to... for they can buy their house or send their kids
8 to college so thank you and we, we will continue
9 working together. The next panel David Pollack,
10 Peter Mazer, David Byer (sp?), and Robert Familant.
11 Second and last panel so if anybody else wanted to
12 testify we need to let her know.

13 MICHAEL KEOGH: May I begin. Alright,
14 my name is Michael Keogh, I'm here testifying on
15 behalf of David Byer who could not be with us
16 unfortunately a last-minute thing came up. So, I
17 just wanted to thank the Chair. I represent the
18 committee for taxi safety it is the trade
19 association of the license lease medallion agents
20 and some other operators here in the city of New
21 York. Do you want me to do the testimony or do you
22 want me to...

23 ROBERT FAMILANT: Go down the line.

24 MICHAEL KEOGH: You want to go down the
25 line? Okay, go ahead.

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2 ROBERT FAMILANT: My name is Robert
3 Familant, I'm the treasurer and CEO of... I'm the
4 treasurer and CEO of Progressive Credit Union, we
5 have approximately 5,000 members many of them are
6 medallion taxi owners and operators, we have loans
7 equaling a billion one in the taxi industry in New
8 York and across the country and we're here to
9 testify on behalf of the bill today, thank you.

10 PETER MAZER: My name is Peter Mazer,
11 I'm general counsel to the Metropolitan Taxi Cab
12 Board of Trade. The trade association represents
13 the owners of approximately 5,500 medallion cabs in
14 New York City and I will be testifying in favor of
15 both bills today.

16 DAVID POLLACK: My name is David
17 Pollack and I'm the President of the Taxi Cab
18 Service Association, an association made up of four
19 taxi lending credit unions, I'm also the Director
20 of the Melrose Taxi Action Corporation.

21 ARTHUR GOLDSTEIN: Arthur Goldstein,
22 General Counsel to the Taxi Cab Service
23 Association.

24 MICHAEL KEOGH: Thank you Chair
25 Rodriguez and the members of the transportation

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2 committee. We appreciate that you are taking up and
3 considering the issues raised by these Intros. The
4 Committee for Taxi Safety supports them with some
5 of the adjustments that were talked about by the
6 TLC Chair. We do think that some of those do make
7 some sense, we also think that these bills are
8 intended to, to address some of the byproducts of
9 taxi policy as it has unfolded in a competitive
10 market, market place without recognizing that it's
11 a competitive market place. So, we do think that
12 this is a, a good first step. Just for example the,
13 the yellow taxi industry has been burdened with a
14 lot of the different taxes and fees and regulations
15 that are not applicable any other segment within
16 this industry. We have the 50 percent accessibility
17 requirement which is one of the biggest drivers for
18 getting people out of this industry unfortunately
19 because we have lost the ability to offer the Camry
20 hybrid. That car is very popular, it is one of the
21 reasons why the Uber ex-product is 65 percent, a
22 Camry, a Camry hybrid and that we lost not through
23 any other reason other than government regulation.
24 The 50 percent accessibility requirement and the
25 taxi of tomorrow program has left us with less

1 fuel-efficient vehicles going forward. Drivers are
2 choosing to go to the other services that freely
3 have the cars that they want to drive that will
4 give them that fuel efficiency. So, while we do
5 think that it's important to address the issues in
6 the Intros we still have to really deal with the
7 fundamental question, we cannot freely compete for
8 drivers if we are only allowed to have vehicles
9 that the drivers are rejecting as opportunities to
10 make a living with. We're committed to the
11 accessibility program but we will not be able to
12 have a successful accessibility program which is
13 why there are over 500 medallions that are fully
14 financed, were purchased at the auctions that you
15 pointed out Chairman Rodriguez to the TLC Chair
16 that are not on the road today. The only reason
17 they are not on the road today is the drivers will
18 not drive an accessible less fuel efficient
19 vehicle. So, we are at this... where you have an
20 industry that has about a half a billion dollars
21 sitting on a shelf and then another 1,000 or so
22 cars that are parked in these taxi graveyards and
23 as you go and you see them and there are videos of
24 them that are online and you can just go to any
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2 neighborhood in Greenpoint or Williamsburg and
3 you'll see they are taxi of tomorrow's and they are
4 accessible vehicles that are sitting. So, for three
5 years the taxi industry competed successfully with
6 Uber in the market place because we were freely
7 allowed to offer vehicles that drivers preferred to
8 drive. The game changer happened with the
9 accessibility... introduction of the accessibility
10 program when that was taken away from us. So while
11 these two Intros do make a, a lot of sense to us,
12 they don't get at the fundamental problem that's
13 plaguing the industry going forward. We really do
14 need to have a fundamental conversation about what
15 is the responsibility for everyone in this industry
16 to provide accessible service. A lot of what went
17 on in the past was dealing with lawsuits and
18 settlements that did not bring all of the players
19 to the table. The taxi of tomorrow maker, for
20 example was not brought to the table until after
21 the city reached its settlement with the disability
22 advocates. The industry makers... or the industry
23 providers providing this transportation were never
24 brought to the table and were told that a plan was
25 going to be instituted uh by the TLC well after the

1 fact. We did all try to seek our rights in court
2 and so on like that but we understand that this is
3 a historic civil rights settlement and nobody
4 necessarily wants to undo it so then we have to do
5 some things to share the burden so that everybody
6 in the transportation industry has to pick up every
7 passenger in New York City regardless as to whether
8 or not they need a wheelchair and whether or not
9 they can transfer safely out of that wheelchair.
10 So, we do think that that's really the crucial
11 issue that we need to tackle next and expeditiously
12 because as I said you can't really have half a
13 billion dollars' worth of assets in any industry
14 sitting on a table and expect there to be
15 opportunity long term going forward. So, with that
16 I'll turn it over to Robert.

18 ROBERT FAMILANT: Thank you Michael. I,
19 I'll be short as the, as the taxi and limousine
20 commission made all of the important points that,
21 that I would like to point out, you know the
22 downturn in the market place has had many
23 contributory factors and the one we're addressing
24 today is, is concerning liquidity. Liquidity is, is
25 critical for any industry to be successful, the

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2 people in an industry need to know that money is
3 available for them to be... for them to be able to
4 get money for cars, that they can get money to
5 purchase medallions and liquidity is frightfully
6 low in our industry today without additional
7 confidence and that confidence... part of that
8 confidence building, the active process will be
9 attained by these bills being passed, it'll show
10 the city supports the taxi industry, it's long term
11 survival and the survival of the people who owns
12 medallions that have used those medallions over
13 many generations to buy their homes, to send their
14 families to college, you know it, it's a, it's a
15 critical component of any, of any business. The
16 only thing I would add is, is that time is of the
17 essence, it, it... we're... it's great that we're here
18 today, these bills need to be considered and passed
19 within a, a short period of time so that all of its
20 advantages can, can go to the public and the, and
21 the drivers and the rest of the industry's
22 stakeholders. Thank you.

23 PETER MAZER: Good morning again my
24 name is Peter Mazer, General Counsel of the
25 Metropolitan Taxi Cab Board of Trade. We represent

1 the owners of approximately 5,500 licensed
2 medallion taxi cabs as well as agents, brokers, and
3 businesses that support the medallion industry. We
4 also provide services to the more than 22,000
5 drivers who lease taxi cabs from our members. I
6 commend the city council first of all for its
7 action of these two introductions. It is no secret
8 that the past two years have presented the
9 medallion taxi industry with extra ordinary
10 challenges. Each day on average more than a 100,000
11 fewer passengers ride taxi cabs than two years ago,
12 fare revenue has dropped by about 400 million
13 dollars per year, taxi medallion values have
14 plummeted, this means that for many New Yorkers who
15 have invested heavily in this industry their life
16 savings have been dissipated. Despite this gloomy
17 picture there are steps that can be taken to
18 protect the investments of many hard-working New
19 Yorkers who believe that taxi medallion ownership
20 is part of the American dream. These two bills are
21 a good start, Intro 1474 would reduce the tax paid
22 by purchasers of medallion taxi cabs from five
23 percent of the value... medallion value to one half
24 of one percent. When the medallion industry was
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2 healthier a few years ago, this tax generated about
3 five million dollars per year in revenue to the
4 city, a small fraction of the budget. During the
5 past two years, there have been few transfers and
6 this tax has generated little or no income to the
7 city. By reducing the tax rate the city is
8 significantly lowering a barrier that is inhibiting
9 the restoration of a healthy taxi cab exchange
10 market by reducing transactional costs the city
11 will be encouraging lenders, purchasers, and others
12 to again enter the taxi cab market and invest in
13 this industry. The second bill, Intro 1475 makes
14 some significant changes to the medallion ownership
15 system, first the distinction between an
16 independent medallion that is a single medallion
17 owner and operated by one owner and corporate
18 medallions which may be owned in greater quantity
19 would be eliminated. The distinction made sense
20 years ago, when there was a vibrant market for
21 individually owned medallions which needed to be
22 protected, today statutory restrictions on
23 medallion ownership in fact distort the free market
24 and make it more difficult for owners of medallions
25 to sell their assets since the universe of

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2 potential buyers is limited. The second major
3 change introduced by this bill is the concept that
4 a lending institution that acquires title to a
5 medallion either through the in... voluntary or
6 involuntary sale or by some other means may have
7 the option to operate the medallion through a
8 licensed agent rather than be compelled to sell the
9 medallion at whatever price the market would bear.
10 This would prevent the sale of medallions to prices
11 well below fair market value since sales would
12 depress the entire medallion market, devalue assets
13 and represent the life savings of many owners and
14 create a liquidity crisis that would cause
15 medallions to be worth less than the outstanding
16 indebtedness. The bill would help stabilize the
17 industry by affording lenders of... a method by which
18 they can avoid the for sale of, of, of sales at
19 prices below market value. While MTBOT supports
20 these bills, I would like to propose some changes
21 to the text of 1475 which we've already heard.
22 First we urge the city council to reconsider
23 section seven which would have the legislation
24 deemed repealed after two years after it becomes
25 law, the purpose of this legislation is presumably

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2 to promote stability in a taxi cab market and this
3 stability would be undermined if the law is seen as
4 being only a temporary measure since amended
5 section five... 513-B in its present form would
6 permit the operation of a foreclosed medallion for
7 three years, a two year sunset of the bill would
8 undermine this provision. Furthermore, the law
9 would repeal the prohibition against ownership of
10 both independent and corporate medallions by the
11 same entity. If this section were to be repealed
12 after two years, there would be owners of
13 medallions who would be compelled to divest their
14 interest. We encourage the council to rethink
15 whether the three-year limitation on foreclosing
16 entities operating medallions is necessary also.
17 Since regulators are governing banks and credit
18 unions already set limits on the period that these
19 entities can hold foreclosed as since without
20 having to sell them. Second amended 19513-B speaks
21 of a transfer of a medallion to purchaser in some
22 cases a secured lender which we envision would be
23 operating the medallion would not be the title
24 owner as implied by the term purchaser instead we
25 urge the council to change the word purchaser to

1 secured lender to clarify that non-purchasing
2 secured lenders would also be permitted to operate
3 medallions through agents consistent with the
4 requirements of the regulators of these financial
5 institutions. While these bills alone would not
6 fully restore confidence in the industry they are a
7 crucial first step, they demonstrate that it's
8 possible to confront serious issues in a positive
9 environment and work together toward common
10 solutions. In light of what we heard from the
11 Chairperson I do want to address one comment that
12 she made which was... which was not in the, in the...
13 my testimony which is the, the idea that the taxi
14 and limousine commission be permitted to, to, to
15 change in... the law that we... that is part of this
16 bill which would make the, the divestiture of a
17 medallion for nonuse permissive rather than
18 mandatory. The Chairperson state, stated that she
19 preferred it just to continue to be mandatory but
20 noted that the TLC is not enforcing the provision
21 at this time. By changing mandatory divestiture to
22 permissive the TLC would have every right that it
23 has to seek to divest a medallion ownership where a
24 medallion is not being used in the manner in which
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2 it's intended to but we feel that changing it to
3 permissive divestiture of a medallion would give the,
4 the courts and whatever entities that would be
5 reviewing whether or not the medallion should be
6 divested or not an opportunity to craft a, a remedy
7 that may come... be short of mandatory divestiture of
8 a medallion so we would urge the retention of the
9 language that's in the bill right now to make the
10 divestiture of a medallion permissive rather than
11 mandatory.

12 DAVID POLLACK: Good morning Chairman
13 Rodriguez, Council Members. My name is David
14 Pollack, the President of the Taxi Cab Service
15 Association representing New York City medallion
16 lenders. Over the past decade, the sales of New
17 York City taxi medallions have generated hundreds
18 of millions of dollars for the city's general fund
19 by holding medallion auctions, that said when a
20 purchaser buys a medallion from New York City there
21 is no transfer tax yet when an existing medallion
22 owner transfers his medallion the city receives a
23 five percent transfer tax. The statistics I
24 provided before you show medallion transfers from
25 2013 through 2016. In 2013 there were 258 medallion

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2 transfers with zero foreclosures. In 2016 there
3 were a total of 65 transfers, 37 of which were
4 foreclosures. With a downturn in the market place
5 we need to make owning medallion more attractive,
6 Intros like 1474 and 1475 which help to make buying
7 a medallion both more attractive and maintain the
8 value hopefully will instill a sense of confidence
9 in the industry. The passage of Intro 1474 will
10 make the purchase of a medallion more appealing and
11 Intro 1475 will allow for the operation of such in
12 times of distress. To reinforce assisting the
13 industry both laws should sunset in four years as a
14 turnaround will not likely occur in two years. I
15 did not collaborate with the Taxi and Limousine
16 Commission but I tend to agree with them that the
17 repeal of the sunset provision we would totally
18 agree with, agree with wholeheartedly. Since the
19 longevity, longevity of a new taxi vehicle is seven
20 years for an accessible or hybrid vehicle we
21 believe the time allotted to lease a medallion that
22 has been surrendered, transferred involuntarily, or
23 as a result as a default of an obligation secured
24 by a secured interest should be allowed to operate
25 with a licensed agent for the life of the attached

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2 vehicle with a minimum of three years. The TSA
3 supports the passage of Intro 1474 and Intro 1475
4 hopefully with the modifications suggested
5 repealing the sunset clause. Thank you for the
6 opportunity to address our position regarding both
7 of these Intros. I also would mention that I
8 support Mike Keogh and the Taxi... Committee for Taxi
9 Safety, there are 600 non-performing assets in
10 storage in the city of New York's Taxi and
11 Limousine Commission because divers can't buy the
12 vehicle they want which is a Camry hybrid and we
13 would love to see that vehicle approved by the city
14 of New York as well. In general, we support these
15 bills and we need it passed, thank you.

16 ARTHUR GOLDSTEIN: Just one quick
17 comment, Arthur Goldstein of the Taxi Cab Service
18 Association. Time is of the essence here and
19 hearing the very good testimony from the Chair of
20 the TLC we respectfully request that respective
21 councils get together as soon as possible and tweak
22 the bill and message the bill and move towards an a
23 version as soon as possible, we, we need the
24 stimulus, thank you.
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2 CHAIRPERSON RODRIGUEZ: Council Member
3 Miller?

4 COUNCIL MEMBER MILLER: Thank you Chair
5 Rodriguez. Could someone... what, what is the
6 percentage of independents as opposed to, to
7 multiple corporate medallion holders in the
8 industry.

9 DAVID POLLACK: Well it's a, it's a
10 catch 22, it's a trick question because the law
11 says 42 percent I believe of all medallions have to
12 be purchased by individuals what's not said is a
13 large percentage of mini fleet corporations are
14 also owned by individuals, there will be one owner
15 or two owners who partner to buy a mini fleet
16 corporation.

17 COUNCIL MEMBER MILLER: Okay, what is
18 the percent... that being said what is the percentage
19 currently?

20 DAVID POLLACK: I wish the Taxi and
21 Limosine Commission... Commissioner was still here to
22 answer that question.

23 ROBERT FAMILANT: Well by statute it's
24 42, 42 individual and the balance... [cross-talk]

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2 COUNCIL MEMBER MILLER: ...so... [cross-
3 talk]

4 ROBERT FAMILANT: ...50... [cross-talk]

5 COUNCIL MEMBER MILLER: ...right but
6 that, that doesn't necessarily have to be the case
7 some individuals can no longer be in the industry
8 and those medallions have not been purchased or
9 vice versa, I was just trying to get at that so in
10 terms of the driver operators of, of these
11 vehicles... of the vehicles owned by multiple
12 medallion holders is, is, is there a collaboration
13 with, with the drivers or the organizations that
14 represent the drivers, I, I find unusual that, that
15 there's no voice here today, is there a
16 collaboration between your organizations and, and
17 any of these around this specific issue considering
18 that obviously it would have a great impact on
19 their quality of life and their earning
20 opportunities as well?

21 MICHAEL KEOGH: Well the short answer
22 to that question is the Committee for Taxi Safety
23 members they have two customers, one is the
24 medallion owner, the other is the driver and in
25 many instances they've been able to help drivers

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2 not only secure the purchase of a vehicle but over
3 time help them work through the financing and the
4 lending to help them become a purchaser of a
5 medallion as well. In terms of the overall crisis
6 that's facing the industry the drivers are sort of
7 voting with their feet, it's like the minute the
8 medallion that they had had becomes an accessible
9 medallion through the TLC's lottery system they
10 throw the keys on the table and they say I want to
11 go drive for a car service, an Uber that will give
12 me a Camry... a Camry hybrid which is what they're
13 used to doing so I'd, I'd say that the ownership
14 path has not been as critical to the drivers as the
15 vehicle choice.

16 COUNCIL MEMBER MILLER: So that, that
17 kind of leads me to, to... and, and this
18 collaboration if there was one is there something..
19 and, and, and also, we're talking about the amount
20 of vehicles that are unused that are being laid up
21 currently is that because we're not attracting
22 operator drivers is there conversations about
23 additional compensation, amending compensation that
24 would incentivize and attract those drivers who..
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MICHAEL KEOGH: ...yes, currently...

[cross-talk]

COUNCIL MEMBER MILLER: ...drive those vehicles?

MICHAEL KEOGH: Currently nobody in the industry is charging anywhere near the lease cap in order to get the accessible cars out on the road, the, the hybrids that we are allowed to put out under the TLC's Taxi of Tomorrow Program and accessibility program those are out and, and, and, and drivers are, are generally happy with those to get additional compensation is something that we have difficulty doing because unlike the other industries we are not allowed to set the level of fares and so on but the cars are trying... are... an accessible car would be given out for free in terms of a, a lease medallion just to generate some income from it as opposed to having it listed on a shelf, the drivers are choosing not to drive them because they're just fuel efficient... inefficient because it's a bigger, heavier car than a hybrid. So that's been the difficulty and the problem any other incentive programs that the city would entertain other than what they currently are which

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2 their financed by taxi cab passengers would be
3 helpful also potentially sharing the burden so that
4 this 50 percent settlement is not all on this one
5 segment but is more diffuse throughout the industry
6 would allow us to offer the kinds of cars that the
7 drivers would want, have them and go back to the
8 career path that was happening in this where you
9 had somebody who was a driver they may partner with
10 another driver, purchase a medallion or two and run
11 it as a mini fleet, that had been the career path
12 for a very long period of time and many of those
13 drivers are... have become licensed lease agents as
14 well. So, that was the career path that was
15 happening, it's been disrupted because of the
16 mandate of the 50 percent settlement coming at a
17 time with all the added competition from the app
18 based services.

19 COUNCIL MEMBER MILLER: Yeah. So
20 obviously, that is become more than just a real
21 competition but an impediment to the industry and
22 I, I just... I would feel a lot better if I were
23 hearing from those operator drivers and, and, and...
24 themselves here now and let me just say that I'm
25 really, really in favor of, of, of total equity

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2 around accessibility throughout the whole city I, I
3 think that there are no communities, there are no
4 group of people that are less deserving than others
5 and that if the city's going to provide or set
6 policy around an industry that everybody should be
7 held to those standards and anything that we can do
8 to do that I'm, I'm in favor of that so thank you.

9 PETER MAZER: If I could just add
10 something in response to your question as part of
11 our service as a trade association we offer free
12 legal representation to drivers and we provide free
13 training to drivers so during the past year I've
14 had the opportunity to speak to about 2,000
15 individual taxi cab drivers, some of which own
16 medallions, some of which are for the most part
17 lease medallions from other owners and so we can
18 talk to them about what their concerns are, what
19 they are unhappy about with the, with the state of
20 the industry and what we can do to address their
21 concerns. The two big concerns that I hear from
22 drivers are number one uh they feel that there's
23 disparate and unequal enforcement of the laws
24 against taxi cab drivers. They feel that they are
25 singled out for enforcement action, that drivers

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2 have told me that yes, I, I did something wrong, I
3 made an illegal left turn but there were five cars
4 that made the illegal left turn, the four black
5 cars were let go and the one taxi cab driver was
6 pulled over and given the summons and I've
7 confronted the police about that and they'll say
8 yeah that's true. The other big concern that we
9 hear from drivers is that their income is being
10 affected because there are large numbers of illegal
11 vehicles operating on the streets of New York that
12 are picking up fares that are not licensed to do
13 so. Both legal black cars that are picking up
14 street hails illegally and illegal cars coming into
15 New York City to the point that our drivers say
16 they can no longer go to the hotels, they can no
17 longer go to the airports because the hustlers have
18 taken away their business. Those are the big
19 concerns that we hear from our drivers, we don't
20 hear so much about the concerns about the
21 operational aspects, the owner versus driver issues
22 which we frankly did hear a few years ago that
23 seems not to be a prevalent concern, the concern
24 now is competition and... unfair competition, they're
25 not saying well the green cars shouldn't be allowed

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2 to exist or the licensed delivery car shouldn't be
3 allowed to exist but they really feel that there is
4 a... an unlevel playing field in the fact that they
5 are signaled out for enforcement and that they
6 don't have the opportunity to get the fares that
7 are... they're entitled to.

8 DAVID POTTLOCK: I'd also like to add
9 something. These bills will enable two drivers to
10 purchase the medallion and partner with New York
11 City with a commitment of exclusive street hail
12 rights in New York City in an affordable way. It
13 stops and it reduces one of the financial stumbling
14 blocks that the small business man has and if you
15 notice the names at the last auction in March of
16 2014 overwhelming majority are immigrants, this is
17 an immigrant business, why aren't they here today,
18 they come to me every day. Last week I had an 86-
19 year-old man in my office, his medallion is in
20 storage, he cannot sell it, there's no market, he
21 cannot lease it because he has to put an accessible
22 vehicle on and no one wants to drive it and he
23 can't drive it, he's too old and too sick, there
24 are no more answers, the answers is, is simply we
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2 need help in this industry by the administration so
3 thank you very much.

4 CHAIRPERSON RODRIGUEZ: Council Member
5 Menchaca?

6 COMMITTEE CLERK MARTIN: And I'm sorry
7 before... continuation of roll call vote Committee on
8 Transportation Introductions 267A and 873A Council
9 Member Constantinides?

10 COUNCIL MEMBER CONSTANTINIDES: I thank
11 you Mr. Chair, I vote aye.

12 COMMITTEE CLERK MARTIN: The vote on
13 those two items now stand at 12 in the affirmative,
14 thank you.

15 CHAIRPERSON RODRIGUEZ: Great, thank
16 you. Council Member Menchaca?

17 COUNCIL MEMBER MENCHACA: Thank you
18 Chair and thank you... thank you to this panel for,
19 for coming here today and representing the voices
20 of the workers and the industry. I want to pick up
21 on, on, on Pollack's last remarks about this is an
22 immigrant industry and according to the TLC this is
23 a... about 90, 91 percent of the workforce are
24 immigrants and so it requires a very kind of
25 particular kind of response that's going to require

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2 the city agencies to work with everybody at the
3 table and that, that's what I keep hearing so I
4 want, I want to acknowledge... we, we acknowledge
5 that and as the Chair of the Immigration Committee
6 I acknowledge that too that these industries across
7 so many different work forces are, are
8 predominately immigrant and, and so maybe I'll
9 start with a question that I, I, I asked the
10 commissioner how do you feel like the lines of
11 communication... how, how, how open are the lines of
12 communication in bringing those issues to the
13 commission, she mentioned things like meetings,
14 radio, and events and, and so if you can... if, if,
15 if one or a few can kind of just give me a, a
16 touchpoint about how that is working and whether or
17 not you've seen an evolution with it not just an
18 evolution of tell me what's going on but a we
19 understand this is an immigrant, immigrant
20 workforce and we're going to bring you a response
21 that respects that? If anybody has any strong
22 things to say about, about that?

23 MICHAEL KEOGH: Alright, well they're
24 all looking at me so I'm going to answer it I
25 guess.

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2 COUNCIL MEMBER MENCHACA: Okay Mr.
3 Keogh.

4 MICHAEL KEOGH: So, I think that the
5 TLC has kept up with the times in terms of being
6 able to communicate more with the driver community
7 and their doors are generally open to us but I
8 think unfortunately because of the actions of the
9 prior administration just before it left office
10 which quite frankly there was not a, a reasonable
11 communication that was going on at that particular
12 point in time. A lot of, of the TLC's hands have
13 been tied, they have a 50 percent settlement it's
14 been mandated by a federal court because that's
15 what the prior administration agreed to do, they
16 did not put any implementation ability and they
17 left it to the current TLC and the current
18 administration to try to figure out a way to how to
19 do that. It's just not going to work though and
20 it's, it's one of the reasons why we're nowhere
21 near the level of deployment on the accessibility
22 program of them actually being out on the road and
23 don't get me wrong there are about 200 to 300
24 drivers consistently throughout the years when the
25 accessibility program first happened about 10, 15

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2 years ago, that continued to drive accessible
3 medallions, most of the other drivers are not
4 attracted to that. So as the TLC continues to
5 mandate the accessibility roll out the result is is
6 that the medallion then comes off the market place
7 a driver who'd been used to driving it now has to
8 go to an Uber or a neighborhood car service and try
9 to get that Camry hybrid that they want to drive
10 and then they're at the mercy of whatever pricing
11 structure that that industry wants to do and
12 they've lost a little bit of their bargaining power
13 by saying like well I don't like this, I'm going to
14 go back to yellow or I'm going to go drive green or
15 something like that, that's been one of the real
16 constraints that have happened but in terms of the
17 TLC being open to listen, yes they've been open to
18 listen but I do think that there's a practical
19 tying of their hands that has occurred that doesn't
20 allow them to deal with this fundamental problem.

21 ROBERT FAMILANT: If I could add to
22 that because I think I've been here the longest and
23 I've seen waves of different immigration groups
24 come into the taxi industry going way back there
25 were Greek immigrants and Haitians and Russians

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2 and, and, and there are different folks today and,
3 and what, what brings them is the success of the
4 industry and that's why these bills are important,
5 you know, you know build it and they will come,
6 they will take advantage of what the taxi industry
7 has to offer if that offer is an offer of success,
8 if that is an offer of fair wages, if that's an
9 offer of respect for their, for their profession I
10 think there was a, a, a miss, a misconception that
11 fleets will gobble up the medallions if there isn't
12 individual and mini fleet medallions, I think it's
13 just the opposite. In the late 70's when the fleets
14 were struggling those medallions were sold to
15 individual operators from each of their garages, we
16 financed them, credit unions led the way in
17 financing them. Now some of those people became
18 successful over the years and from owning one
19 medallion or sharing two medallions, two people
20 they bought two more, two more, two more and they
21 became small garages filled with mini fleet
22 operators, it's that opportunity, it's that
23 confidence that will build the success here. Thank
24 you.

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2 DAVID POLLACK: Also as far as outreach
3 I do have a radio show called the Taxi Dave Show,
4 it's a live call in show and I urge all the council
5 members to listen to old shows at NYC taxi news dot
6 com but the... I mean how did... how did people find
7 out about today, I'm on a list, I get an e-mail,
8 there are still in this world today believe it or
9 not hundreds if not more drivers, medallion owners
10 who are not... do not... cannot participate in social
11 media. Take the 86-year-old gentleman they rely on
12 associations and people like the people sitting at
13 this table to be their voice. When do you know
14 there's a taxi and limousine commission meeting,
15 there used to be a general mailing well save a
16 tree, save postage now it's posted on their
17 website, if you have no access to internet you're
18 not going to know about any bills, any Intros, any
19 meetings so I just wanted to put that out there
20 too.

21 COUNCIL MEMBER MENCHACA: Thank you for
22 that and that's... and that's why we, we... this is why
23 if we want to do work with the immigrant community
24 we have to understand it... first and foremost
25 understand where, where they are and how to

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2 communicate and it's not just a process it's also
3 language that we have to do as well and culture
4 and, and this is why, this is why I'm, I'm, I'm
5 interested in this in a big way, I don't want to
6 take too much more time but I've been... I'm
7 concerned by some of the things that I've heard.
8 One is the fact that, that some of the drivers are
9 feeling targeted, I think we need to investigate
10 that, I think we need to really think about that if
11 we want to build trust with these different
12 industries, we got to, we got to deal with that.
13 If... whether or not this is true this is an alleged
14 comment and concern, we need to, we need to prove
15 it and so let's work together to figure out how
16 that happens. Second the fact that there are legal
17 cars that are coming in and essentially bumping an..
18 all our legit drivers that, that have, that have
19 access to these areas like our, our airports that's
20 of concern too and so this is where we need to
21 figure out how we get enforcement out there. These
22 are things that are outside some of the main topics
23 we're talking about like disability but this is all
24 connected if we don't solve that issue how are they
25 going... how are we going to feel like we're actually

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2 going to solve some of these bigger, bigger issues
3 and I'll stop there but the last thing I want to
4 say is the, the ethnic media piece I, I'm, I'm
5 really looking forward to working with everybody to
6 figure out how we can measure success and increases
7 into markets that are, are going to get the message
8 out and so it might be, might be through internet
9 and it might be through radio, it might be through
10 newspaper, I might be through radio shows whatever
11 it is let the people tell us where they are and we
12 will come to them and that's the only way that this
13 is going to work. Thank you.

14 CHAIRPERSON RODRIGUEZ: Thank you and
15 with that we come to the end. I would like to
16 summarize saying that we will continue
17 conversation. It is in our interest to see it
18 through taxi industry where delivery, app company,
19 black car, limousine exist but also where drivers
20 most important where consumers get the best
21 services that they demand.. that they demand, where
22 drivers make the living and where medallion owners
23 also know that we didn't give.. that we are there to
24 support because they were there when no other
25 sectors were providing this services. As we would

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2 not have a New York City without immigrants it is
3 difficult to pretend that we can see New York City
4 without yellow taxis and we are here to support and
5 do whatever we can so that this industry continues
6 providing this service that they have done for many
7 decades. With that this interview is adjourned.

8 [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date March 19, 2017