

**Testimony of William Heinzen, Acting Commissioner, and Dianna Pennetti, Deputy
Commissioner of the Uniformed Services Bureau
New York City Taxi and Limousine Commission (TLC)
New York City Council
Transportation Committee**

Oversight Hearing on New York City's Traditional Livery and Black Car Sectors

November 18, 2019

Good afternoon, Chair Rodriguez and members of the Transportation Committee. I am Bill Heinzen, the Acting Commissioner for the New York City Taxi and Limousine Commission. With me today is Dianna Pennetti, TLC's Deputy Commissioner for the Uniformed Services Bureau, which includes the Safety and Emissions Inspection Division, and the Enforcement Division. Thank you for inviting me to join you today for this oversight hearing on New York City's traditional livery and black car sectors. I would like to give some brief remarks today.

The Taxi and Limousine Commission regulates over 130,000 vehicles, of which 118,000 are licensed as For Hire Vehicles. Within the FHV sector, approximately 26,000 vehicles are affiliated with one of the approximately 390 traditional livery bases or one of the approximately 400 non-app black car bases. Based on trip data collected by the City, we estimate that traditional black car and livery bases dispatch over 50,000 trips per day. Livery and black car bases have historically played an important role providing for-hire transportation to New Yorkers, especially in neighborhoods underserved by both public transportation and yellow taxis. Livery bases have offered their clients reliable, neighborhood-based for-hire service, provided by drivers and base owners from their communities. These passengers may not speak English or have access to a credit card, and livery services can reduce barriers to mobility in immigrant and lower income communities. For their part, black car bases have traditionally built a loyal base of

passengers ranging from those looking for premium for-hire-service to corporate account work for businesses like banks and law firms.

All of the long-standing segments of TLC-regulated industries have been impacted by the onset of the app-based car services, now known as the High Volume For-Hire Services and subject to new enhanced licensing requirements. Not only do the apps provide trips in Manhattan and at the City airports, areas traditionally served by yellow taxis, they also work with large corporate clients and in communities that previously relied on livery service. For people who prefer to book a trip by phone call or to pay in cash, liveries continue to fill this need, but the influx of tens of thousands of new drivers and vehicles who work for the apps has altered New York City's for-hire transportation landscape for drivers and bases alike.

Although the City missed the opportunity to cap the number of for-hire vehicles in 2015, when the apps began to provide a large number of trips, the City was able to collect and analyze a large amount of trip and fare data generated by the apps, and last year the Mayor and City Council worked together to enact a cap on vehicle licenses last year and granted TLC the authority we previously lacked to begin addressing the effects of four years of uncontrolled growth. These impacts have included significant additional congestion and damage to air quality, as well as lower driver pay. Many of these new regulations only apply to app-based services, with taxis and traditional livery and black car services exempt. These additional app-based requirements include greatly-enhanced trip data reporting, providing New York City with greater insight into the trips provided by the apps, driver pay protection rules with enhanced driver pay data reporting requirements, and limitations on the amount of time that vehicles working with apps are allowed to spend cruising empty in the most congested part of Manhattan,

below 96th Street. These data-based regulations have been major wins for the City, our drivers, and the companies looking for a fair chance to compete against the new app-based services.

The changes to the industry did not occur overnight, and it will take time to see the full impact of these recent changes in our regulation, but for the first time since 2014, the number of for-hire vehicles has slightly declined. Additionally, the two largest app companies stopped accepting new drivers last Spring, creating opportunities to attract additional drivers in the taxi and traditional livery and black car sectors.

While the TLC worked to develop the new regulatory responses to the influx of app-based services, the agency has also worked to support the traditional sectors we regulate. Together with Councilmembers and driver advocates, we have worked to address challenges facing livery and black car drivers. A wide range of TLC employees meet regularly with representatives of the industry, including drivers and businesses and drivers. We have greatly increased our industry outreach in the past three years, allowing us to meet with more and more drivers. We regularly hold TLC in Your Borough events across the City to meet drivers in their neighborhoods and provide help addressing drivers' issues. This includes understanding licensing requirements, speaking to a prosecutor about a summons, and sharing information about policy changes and connecting drivers to available no-cost City resources, such as financial counseling. Staff from Licensing and Prosecution divisions work with drivers and bases to resolve these complaints where possible, often offering settlements and reduced fines. In addition to calls to 311 and our Call Center, we also field dozens of questions, complaints and requests from elected officials' offices each week. At Chair Rodriguez's invite, we recently took part in his Washington Heights Constituent Night, where we met with several dozen drivers, and we will continue to attend those events, including this Wednesday evening.

Although we as a City have taken great strides to address the challenges and struggles facing many of our licensees, work still remains. Working together, the Council, the Mayor and TLC have enacted groundbreaking policies to respond to changes in for-hire service, changes felt not only in New York City but in cities across the globe. As we implement and evaluate these policies, I know that there may be disagreements. These conversations may not always be easy, and the solutions can be complex, but we welcome the opportunity to continue collaborating with you to address those continuing challenges and we think this hearing is another important step. Thank you.



**TESTIMONY BY SCOTT RUTTER, VICE PRESIDENT OF THE LIMO ASSOCIATION OF
NEW YORK (LANY), BEFORE THE NYC COUNCIL TRANSPORTATION COMMITTEE
OVERSIGHT HEARING ON THE NYC TAXI AND LIMOUSINE COMMISSION**

November 18, 2019

Good afternoon, my name is Scott Rutter and I am here today to stand up for Luxury Limousine Base operators, many of whom are having great difficulty staying in business in the current climate of regulation and oversight.

We fully support the City's efforts to ensure a well regulated industry. We are very concerned though that none of the initiatives adopted by the TLC take into consideration any of the very significant differences that exist between various Base segments established by the TLC themselves. Why have different base segments if we all are regulated the same? The unintended consequences of this are putting our bases in great jeopardy while having no impact on the issues the TLC seeks to address. We desperately need the TLC and the City to take these differences into consideration regarding regulations that affect each of the Base segments.

Let me give you a few examples:

Minimum Driver Pay Requirements: A very important step the TLC implemented to

ensure that hard working men and women can make a decent living. However, these regulations were clearly not needed in our Base segment:

- The high majority of our Drivers are employees of our companies. They are not Independent Operators

As employees they have NO expenses: Our Bases pays them all! This includes costs of the car including fuel, insurance, maintenance and even damage.

- Our drivers are protected by the Fair Labor Standards Act, minimum wage, overtime, paid sick leave, unemployment, disability and in many cases health insurance
- Our drivers can earn \$50,000, \$70,000, even \$100,000 without any expenses. These are W-2 wages!

Clearly, regulations aimed at Driver Pay requirements were not created for our Base segment.

And we've been providing these real middle class jobs for years!

Another example is mid-town **Congestion and Congestion pricing**:

- The FHV industry has grown to over 100,000 vehicles in the past several years, while the Luxury segment represents about 4,000 vehicles which is down roughly 2,000 vehicles over the same time period.
- More importantly, our Bases do not offer "on demand" service, which is the prime issue we face today. The majority of our business is with established customers that are generally pre- arranged, hours, days and even weeks in advance. Our drivers typically have a predetermined schedule and once those jobs are complete they are finished for the day. We do not cruise the streets looking for fares and we do not contribute to this problem. Our

business model is extremely expensive to operate and it is cost prohibitive to cruise as we pay our drivers and all vehicle expenses regardless if there is passengers in the car or not!

And one last example because I know my time is short: **The Vehicle Moratorium:**

We build our business by “selling” new accounts that use our services on an ongoing basis without cruising. However, if I go out and “sell” a new account, I cannot add vehicles or hire new employees that I need to serve those new accounts. Even worse, if I lose an account I will have to lay off employees and sell off those associated vehicles which then cannot be replaced. In short, the moratorium is forcing our businesses to shrink, which is putting an end to the one FHV segment that provides real middle class jobs.

We hope that you will take these “unintended consequences” of TLC rules into consideration regarding existing and proposed new regulations.

We would be pleased to engage in further discussions with you and look forward to the opportunity. Thank you.



LRT written testimony,
City Council Transportation Hearing November 18

Dear Chairman Rodriguez and Committee Members,

My name is Avik Kabeesa. I am CEO of Carmel Car Service, a founding member of the Livery Roundtable (LRT), and the Chairman of the New York State Livery Workers Compensation Fund.

In 2014, The Livery sector consisted of 28,000 vehicles. Four years later, its fleet has been reduced to 12,000 vehicles. As these numbers indicate, the Livery and Black Car sectors of the For-Hire Vehicle industry are in danger of extinction.

I thank the Chair for bringing attention to this important issue.

We would like to work with you to save both sectors of the industry while continuing the City's fight against traffic congestion. We believe this goal can be accomplished with new, special restricted licenses to Livery and Black Car bases while maintaining the cap on Uber, Lyft, and other high-volume services. After all, these high-volume services are the major cause of congestion in Manhattan's Central Business District.

Prior to the arrival of Uber and Lyft, the number of vehicles affiliated with traditional Livery and Black Car bases grew at an average annual rate of 5% for 30 years. This is almost a direct correlation with the growth of New York City's residential population and the number of tourists visiting our city each year. Conversely, the arrival of Uber and Lyft added 100,000 additional vehicles to Manhattan's streets over the last six years, growing at an astronomical average pace of 63% annually. In response to this explosion in growth, the City Council enacted a cap on the issuance of new For-Hire-Vehicle (FHV) licenses.

Under the cap, traditional Livery and Black Car bases have been unable to add new drivers to recover. The industries lost 18,000 affiliated vehicles (65% of their drivers) to Uber and Lyft. As a result, Uber and Lyft kept reporting growth, while many Livery and Black Car bases are going out of business.

Creating a special Livery and Black Car license will prevent Uber and Lyft from using these newly issued licenses as a backdoor to bypass the cap and give our industry a fighting chance.

Livery and Black Car bases can and should be provided the opportunity to recover. Doing so will allow Livery and Black Car bases to recoup licenses lost when Uber and Lyft first started operating in the New York market, as well as help these two traditional industries develop a base of drivers large enough to meet customer demand. Additionally, this will not increase congestion in Manhattan's Central Business District.

At present, during high demand periods, drivers affiliated with traditional Livery and Black Car bases rush to Manhattan to take advantage of Uber and Lyft's price surcharges. This increases congestion while leaving traditional Livery and Black Car bases unable to honor their pre-arranged, low-price trip commitments, thus leaving their customers stranded. This is not a choice that any business should be forced to make.

Unless something is done to stem the tide, traditional Livery and Black Car bases will not survive another year included in, and strangled by, the cap. Restricted licenses will provide Livery and Black Car bases a fair chance to survive.

Sincerely yours,

Avik Kabessa
Founding Member - Livery Round Table



November 18, 2019

New York City Council Committee on Transportation
Council Chambers - New York City Hall
City Hall Park
New York, NY 10007

**RE: Oversight - TLC's Implementation of For-Hire Vehicle Growth Restrictions,
For-Hire Vehicle Driver Pay Standards, and Other Recent Local Laws**

Dear Honorable Chairman Rodriguez and Members of the Committee:

My name is Cira Angeles, and I represent the Livery Base Owners. LBO represents over 250 livery bases in New York City, which serve approximately 150,000 New Yorkers each day in every borough across the City. Our passengers are residents of the outer boroughs and upper Manhattan who may or may not speak English as a first language. Our bases are equipped to serve these passengers because most of our membership are immigrants as well; we come from the same communities as our passengers.

There is one word to best describe the state of our industry: Dying. We are calling on the City Council to help bring us back to life.

In 2014, our sector of the for-hire-vehicle industry enjoyed over 25,000 affiliated vehicles. Today, according to the TLC, we have about 9,000 vehicles. The state of our industry is not due to mismanagement. It is not due to loss of demand. We have served transportation deserts for years and we have a healthy customer base. Rather, we are victims of the predatory practices of the high-volume for-hire-vehicle services and the City's efforts to regulate them.

The City's cap on new For Hire Vehicle licenses must be tweaked to create a lane for the small bases. Under the existing cap, the TLC does not allow a new FHV license to enter the market when an existing license is lost. Drivers can lose their license for any number of reasons: accumulated infractions; insurance lapse; or even driver career change or retirement. In the past, this wasn't an issue because the TLC would allow a driver to restore their license once the defect was cured. Or, they would regularly issue new licenses which allowed us to replace drivers who

retired or changed careers. However, under the cap, the TLC will not issue new licenses to replace the ones lost.

We understand that the public policy behind the cap is to curb congestion in Manhattan's central business district. However, our community car service bases do not contribute to that congestion. The vast majority of our rides are local calls. Therefore, the Livery Base Owners support the creation of a new class of license – a "Restricted Vehicle License." A Restricted Licensee would only be allowed to operate a for hire vehicle when affiliated with a community car service, traditional black car base, or luxury limousine base. The driver would not be able to accept dispatches from high-volume for-hire-vehicle services. In this way, our small bases would be allowed to exist, and our customers would receive the quality of service they deserve.

We believe the TLC can make this change through their rulemaking process. We ask the Council to support the TLC in that process. However, if the TLC fails to adequately address our needs for a Restricted License, then we call on the Council to take legislative action to ensure our small bases can continue to serve.

Respectfully Submitted,

Cira Angeles
Livery Base Owners

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THE CITY OF NEW YORK**

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Name: Roberto Rodiguez

Address: 663 CRESCENT Av Bronx

I represent: Taxi Independent

Address: _____

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(PLEASE PRINT)

Name: Vito Lanza

Address: 32-40 44th St

I represent: Medallion Owner 41 years

Address: _____

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Date: 11/18/19

(PLEASE PRINT)

Name: Avik Kabeesa

Address: 2642 Broadway New York NY

I represent: Livery Roundtable

Address: _____

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☐ in favor ☐ in opposition

Date: 11/18/19

(PLEASE PRINT)

Name: Cira Angeles

Address: _____

I represent: Livery Base Owners

Address: _____

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☐ in favor ☒ in opposition

Date: 11/18/19

(PLEASE PRINT)

Name: Luis Reyes

Address: 46 FORD WASHINGTON AVE

I represent: UTANY

Address: BRONX

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☒ in favor ☐ in opposition

Date: 11/18/19

(PLEASE PRINT)

Name: DIANA CLEMENTE

Address: _____

I represent: BCAC / BIG APPRECIATION

Address: _____

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Date: 11/18/19

(PLEASE PRINT)

Name: ADALGISA PAYERO

Address: 2307 75th AVE N-1 NY

I represent: _____

Address: _____

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Appearance Card

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Date: 11/18/2019

(PLEASE PRINT)

Name: JOSE LUIS DE BURCA

Address: 1690 E 17th Street

I represent: WTANY

Address: BR 0x1

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☐ in favor ☐ in opposition

Date: 11/18/2019

(PLEASE PRINT)

Name: JUAN FERRER DIA

Address: PO BOX 524034 BR NY 10452

I represent: DRS. TANY

Address: 5

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☐ in favor ☐ in opposition

Date: _____

Name: Amado Lopez (PLEASE PRINT)

Address: _____

I represent: AMADO LOPEZ

Address: _____

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☐ in favor ☐ in opposition

Date: _____

Name: Raul Rivera (PLEASE PRINT)

Address: 1831 pilgrim Ave

I represent: BK ny

Address: _____

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☐ in favor ☐ in opposition

Date: 18 November 19

Name: John Sanchez (PLEASE PRINT)

Address: 2460 Grand Ave

I represent: BASE PAT

Address: _____

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☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Elizabeth Colon

Address: 1071 Boston Rd

I represent: 1640 E 174 St + 174 St

Address: 1640 E 174 St

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

Date: _____

(PLEASE PRINT)

Name: Lucky Fabian

Address: _____

I represent: 1640 E 174 St

Address: _____

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☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: SCOTT TOTTEN

Address: _____

I represent: L.A.H.4

Address: _____

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☐ in favor ☐ in opposition

Date: 11/18/19

(PLEASE PRINT)

Name: Acting Commissioner Bill Heinzen

Address: 33 Beaver Street

I represent: NYC Taxi and Limousine Commission

Address: 33 Beaver St.

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☐ in favor ☐ in opposition

Date: Nov. 18, 2019

(PLEASE PRINT)

Name: Joziel Andyan

Address: 1590 Undercliff Ave

I represent: Taxi industry

Address: _____

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

☐ in favor ☐ in opposition

Date: 11/18/19

(PLEASE PRINT)

Name: Deputy Commissioner Dianna Pennetti

Address: 33 Beaver Street

I represent: NYC Taxi + Limousine Commission

Address: 33 Beaver Street

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☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Maria Rodriguez

Address: 1005 Jerome Ave

I represent: Taxis Drivers

Address: _____

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