

TESTIMONY OF PETER M. MAZER

General Counsel

METROPOLITAN TAXICAB BOARD OF TRADE

November 28, 2018

Proposed High-Volume For-Hire Service Rules

Good morning, Commissioner Joshi and Members of the Board. My name is Peter Mazer, and I am General Counsel to the Metropolitan Taxicab Board of Trade. We represent the owners and operators of more than 5,000 licensed medallion taxicabs and have provided free legal and other services to thousands of drivers of our affiliated members' taxicabs through our drivers' resource center.

The City Council enacted Local Law 149, which empowers the Commission to license and regulate high-volume for-hire services as a separate category of licensee. These services collectively operate 85,541 licensed for-hire vehicles, 5,000 more than when the City Council adopted a partial ban on new non-accessible for-hire vehicle licenses. Only about 200 of these 85,000+ high-volume vehicles are accessible to persons with disabilities. The intent of this legislation is to ensure appropriate licensing and regulation of these high-volume for-hire services, which previously were licensed as black cars, but operated in a manner more in line with liveries or even taxicabs. The further intent is to make sure that there is a demonstrated

need for these services before they are licensed. To that end, this legislation mandated a comprehensive business plan be prepared, transportation and environmental studies be conducted, and pricing and recordkeeping requirements be met. The responsibility now falls on the TLC to make certain that these businesses operate in a manner as intended by the City Council and that their business plans are not merely words on a piece of paper.

For example, one of the features of the legislation is the requirement that each proposed service conduct an analysis of a number of factors, such as the effect the new or expanded service will have on traffic congestion and existing transportation providers. The TLC will be reviewing these business plans in making licensing determinations. It will be up to the TLC to make certain that these licensed businesses operate in accordance with their plans, and that the business plans show that these services do not add to congestion, adversely affect other transportation services or other impact negatively upon the environment or quality of life. Rates of fares must be filed with the Commission and trip records maintained. Livery bases already must file comprehensive operating plans and a rate schedule, but often operate in a manner inconsistent with their plans, serving neighborhoods not identified in their plans, and engaging in a vastly different number of trips with more or fewer cars than identified in their plans. The rate schedules often have no relationship to actual fares charged.

While these businesses will be required to file detailed fare information and maintain trip and dispatch records, these services, unlike taxicabs, will self-report such information since there is no independent third-party vendor to attest to the integrity of the data. How the Commission plans to audit the data submitted by these services is a matter of great concern. While the Commission will have fare and pricing data, it needs to protect against price gouging as well as predatory or discriminatory pricing practices which could undercut other transportation service providers. This is of particular concern particularly after January 1st, when a state law goes into effect requiring that a congestion surcharge be assessed and passed on to consumers. If the actual fares charged by these services are reduced so that the fares charged to consumers is not higher after January 1st, the burden of paying it will be shifted from the passengers, where it belongs under state law, to drivers. Other transportation providers will be placed at a competitive disadvantage. Indeed, these proposed rules offer very little in the way of substance with respect to the imposition and collection of the state congestion surcharge. There is no mechanism to

ensure that the surcharge is passed onto passengers, and there is no mechanism to ensure that only legitimate pooled rides pay the lower pooled ride assessment, set at seventy-five cents per passenger, and that there is an accurate count of the number of passengers in pooled vehicles.

The City Council has spoken clearly. It is directing the TLC to carefully evaluate the need for high-volume for-hire services, their effectiveness, and their cost. It is up to the TLC to make certain that its rules comply with the intent of the Council, and that these services comply with every provision of these new rules.

Thank you for providing me the opportunity to speak today. I will be happy to answer any questions you may have.