

Sept. 11, 2018

To Mayor Bill DeBlasio and City Council Speaker Corey Johnson

Individual, immigrant, working class medallion owners have been standing on the steps of City Hall for 4 summers. We've been to memorial services for our fellow owners and drivers who have committed suicide, marched across bridges and testified at hearings about our plight.

Finally, we have seen that the mayor and City Council are aware of OUR issues and would like to effect change.

But first, it is imperative that we all understand how this debacle happened in order to better inform future actions that might alleviate the damage to the medallion.

In our view, there can be no remedy if the remedy and the implementation are left up to the current TLC regime which is comprised of Bloomberg leftovers. I'm sure we all remember when Mayor Bloomberg swore to "destroy your f—king industry." This destruction, as promised, was carried out by the TLC, which has become, essentially an arm of a multinational corporation.

In the past, the TLC understood that medallion cabs had a protected access to the market, which was often touted by TLC Commissioners. For decades, the TLC promoted the medallion to first generation immigrants as a "path to a worry free retirement" and our "exclusive right to cruise" the streets to find passengers.

What happened to change the status quo? Beginning in 2011, the TLC began ignoring, bending, breaking and changing its own rules. These actions and inactions resulted in a much diminished role for the city franchise, yellow cabs, and a greatly expanded one for app cars.

The following is a list of the rule and policy changes that the TLC promulgated starting with its abdication of the protection of the financial stability of the licensees.

How did the yellow taxi industry get to the brink of annihilation?

TLC rule 52-04(a)(4) ignored. Rules states “Establish and enforce standards to ensure all Licensees are and remain financially stable.”

By any stretch of the imagination, could medallion values going from over a million dollars to \$150,000 be construed as stability?

Beginning in 2011, Uber affiliated cars were allowed by the TLC to operate as black cars. These cars should have been properly classified as liveries which would have been subject to environmental review, which would have provided the growth mechanism the TLC professes that they do not have. Or if they were properly classified as black cars, then the owners of the cars have to be either cooperators of the bases or franchisees, which they are not.

In 2012 the TLC took the rates off the doors of yellow cabs, creating confusion among passengers as to the cost of the fare. It allowed hotel doormen to lie to tourists, often telling them that the fare is much higher than the black car or limo they would summon for them.

Also in 2012, an RFP for a universal app for yellow cabs was rescinded, which precluded any chance of brand recognition and being able to compete with rideshare apps. TLC has said regarding apps “the more the merrier”.

App companies allowed to use virtual meters. A virtual meter IS a meter. Only yellow and green cabs are supposed to have meters. TLC is now encouraging yellow segment to use virtual meters.

Distracted driving by app drivers is part of their job. Rules were changed by TLC to allow app drivers to interact with multiple devices. This would help to explain the astounding increase in crashes by black cars. There has been a 647% increase, comparing monthly crashes by black cars in 2014 to 2018.

Requirement that black and livery cars be dispatched FROM a base ignored.

Proscription of cross category dispatching lifted. Everybody is dispatching to everybody.

Mandatory retirement for black and livery cars no longer required. Yellow cabs have mandatory retirement dates. Yellow cabs required to be inspected at Woodside facility every 4 months (recent change to every 8 months) while black cars are only inspected at Woodside every 2 years. If public safety was the number one priority, wouldn't the inspection schedule be the same, especially since black cars do more mileage as per Bruce Schaller.

Ignorance of wheelchair accessibility equivalent service requirement for black cars, while requiring 50% of yellow cabs to be accessible. The 50% wheelchair accessibility requirement was the result of a settlement by the TLC and the disabled community. Like the accessibility rules for airlines, the ADA does NOT require that taxis provide ANY wheelchair accessibility at all. After many years of inaction on the issue of lack of accessibility in the black and livery sectors, the TLC recently came up with rules which only required 5% of trips be carried out in accessible vehicles. But even that was considered too burdensome by the for hire industry. Instead the TLC agreed that they can provide service to whomever demands it and if they meet the needs of the disabled community, however few vehicles that requires, they will be in compliance. Is the tail wagging the dog?

Requirement that any new app or changes to an existing app be examined by TLC done away with. Now they are simply approved.

Lack of protection of yellow franchise at TAXI stands.

So, how did we go from the TLC in the past encouraging drivers to buy medallions as “a worry free retirement” and a past commissioner speaking about our “protected access to a market” that we had paid for? When additional sales of medallions were contemplated or fare raises a comprehensive study was undertaken by the TLC to determine the effects of any changes on medallion values. How was it that in June 2015, in her testimony at the City Council on the cap, that Commissioner Joshi opined that “we are certain that the public will not lack for hire transportation options during the period of the pause.” “There are plenty of vehicles to meet demand.” That was 60,000 cars ago. During that hearing she also expressed her concerns on pollution,

congestion and driver income.

http://www.nyc.gov/html/tlc/downloads/pdf/testimony_06_30_15.pdf

Why was it that after the April 2017 TLC hearing on industry economics, which went on for 6 hours and when medallion owners were begging the TLC Commissioners to shoot them because their lives had become so horrific, the only thing that came out of that hearing was an option for tipping of app drivers. How is it that when the TLC commissioned a study of driver income, the academics who were tasked with the study were told to exclude the yellow industry from their considerations and also to not consider a cap on for hire vehicles?

In contrast, as it stands now, the TLC rarely takes our economic stability into account at all. This was laid out in an article written by TLC Chief of Staff Dawn Miller in August 2017 for Twitter Medium. It was a summary of a talk given by TLC Commissioner Meera Joshi at the NYC chapter of the Women's Transportation Seminar. It is entitled "To Act or Not to Act: A Regulator's Question".

<https://medium.com/cityofny/to-act-or-not-to-act-a-regulators-question-24e417adf19> . It states that "a good deal of brain twisting and reflection went on at the TLC " to come up with this framework.

According to their self produced parameters, the TLC will act when there are safety, consumer protection, driver protection, externalities such as pollution, congestion, infrastructure burdens or when a rule has outlived its usefulness. They will not act when a reported "problem" is really a shift in market share or consumer preferences, there is no clear safety, consumer or public benefit or they feel there are real obstacles to their acting, such as lack of jurisdiction, state or federal law, funding or bandwidth.

There is absolutely no mention at all of the franchise which was purchased by medallion owners. Medallion owners who put their trust and their faith in NYC government. Medallion owners who expect the TLC to regulate and not stand by as merely observers.

This framework protects them from doing anything not in keeping with their ideological mandate, which is de facto deregulation which means that in time there will be no difference between sectors. The industry will be a free for all with no respect given to franchise holders rights.

Until there is a TLC that will properly do its job, which does include limiting the number of for hire vehicles and enforcing a protected access to market that was bought and paid for with the sweat of the medallion owner drivers, there will be no stability in medallion prices and NYC will suffer from all the negative externalities that go along with an unregulated market such as congestion, pollution, crashes, diminution of driver income, discouragement of use of public transportation and billions of dollars in losses to the taxpayer.

The present debacle can be remedied. It didn't happen all at once. Our demise has been a long slow moving series of events. The combination of unlimited for hire vehicles along with new or changed or overlooked rules created an avalanche one snowflake at a time.

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