

Testimony of David Do,
Chair and Commissioner of the Taxi and Limousine Commission (TLC)

New York City Council Committee on Transportation and Infrastructure
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Good morning Chair Brooks-Powers and members of the Transportation and Infrastructure Committee. I am David Do, Commissioner and Chair of the Taxi and Limousine Commission. Thank you for giving me the opportunity to come before you today.

Thanks to the leadership of the Mayor, the Deputy Mayor, the Taxi and Limousine Commission, and the TLC team, we are making great progress on our goals.

To begin, I'd like to give you an overview of the state of the for-hire vehicle (or FHV) industry. As the city and the nation recovers from the COVID-19 pandemic, our industry is coming back to life. Trip volumes are up. Since the beginning of the pandemic, black car and livery trips are up 59%, high-volume trips, such as those provided by Uber and Lyft, are up 242%, and taxi trips are up 1,247%.

These trip volumes are still below pre-pandemic levels, but the increase is encouraging. We are also seeing more drivers and vehicles getting back on the road. And, importantly, driver earnings for both taxi drivers and high-volume drivers are above where they were even pre-pandemic. We expect these growth

trends in trips, vehicles, drivers, and income to continue apace with the City's recovery.

Now, I would like to share something that makes us extremely proud. As I said at my Confirmation hearing, TLC's first priority was to fully implement the Medallion Relief Program Plus, which supports small taxi owners with an interest in five or fewer medallions. Under this program, principal loan balances are reduced to \$170,000 from balances as high as \$750,000, and loan payments are capped at \$1,234 a month. This is down from an *average* monthly loan payment that was \$2200, a thousand dollars more. Importantly, this program replaces personal guaranties with a *City-funded* guaranty, meaning no medallion owner risks losing their family home if they cannot make payments.

Council Members, I am happy to report that MRP+ has been an astounding success. In four short months, this first-of-its kind program has helped the owners of more than 1,100 medallions close on loans – resulting in over \$240 million in debt relief. During the week of September 19, we were closing on loans every 3 minutes.

It is hard to understate the importance of this program. MRP+ not only brings back taxis and ensures that the riding public has access, but also provides a lifeline for thousands of drivers who lost income during the pandemic. The very nature of their business meant that they could not work at home, and often not work at all. MRP+ is more than dollar amounts; it is about families, food on the table, and the future of hardworking people who help make this city run. Many of our drivers

provide critical services during times of crisis, like those who have been donating free rides to migrants that the Texas governor is cynically busing into our city.

People like Richard Chow, an owner-driver who has been driving for 17 years. Four years ago, his little brother Kenny, also a driver, was one of 9 drivers who committed suicide. This was during a time when drivers, including the Chow brothers, were losing everything to predatory medallion loans. As Richard recently said when we hit the \$225 million mark:

“Now I can make a livable income, bring the food to the table. All the drivers are so happy...We have no fear of losing our homes, losing our assets.”

That, and the joy and relief we’ve seen in hundreds of drivers is what this is about. But this critical relief can only work if drivers earn a dignified wage that keeps up with the times. We have proposed an increase in taxi meter fares as well as high-volume driver pay. Our taxi drivers have not had a fare increase in 10 years, and with inflation and the lingering effects from COVID, these drivers are hurting. At last week's public hearing on these proposals, many drivers voiced great need for a pay increase just to cover *expenses*. The proposal increases the base fare, the rush hour fee, and airport fees. This includes a \$65 flat rate for JFK trips, and a \$5 surcharge for LaGuardia trips.

On for-hire driver pay, in 2018 the TLC found that 85% of high-volume for-hire drivers were making less than minimum wage. This category includes Lyft and Uber. In response, TLC adopted rules establishing driver pay minimums. The rules

have worked: drivers are making more money, with average per-driver income at an all-time high. A Consumer Price Index increase is built in to make sure that driver pay keeps up with expenses, but the CPI for urban wage earners only captures a small part of the increase in costs. To better address the skyrocketing operating costs, we are increasing rates by the rise in the *transportation costs* index.

Also included in the driver pay proposal is a change in the rules around utilization rates. Utilization refers to the percentage of a driver's on-duty time that is spent with a passenger versus without one. This is part of the calculation for driver minimums. The TLC wants drivers to be able to work – and not be “locked out” due to the utilization rate. Rather than micromanage rates, we'll require Uber and Lyft to stay within a range of 52-64%. This will ensure that drivers' pay rates will continue to incorporate their downtime without incentivizing companies to lock out drivers.

The majority testifying at last week's hearing supported both these proposals. The TLC will vote on them in coming weeks.

Innovation and technology are vital tools to help the industry thrive. We are making data more accessible than ever by increasing the number of metrics and the frequency of Open Data releases. We developed and released State of the Industry dashboards to help the public navigate our most requested metrics. We also updated and released the TLC Data Hub tool, which allows people to easily access and visualize trip data by Taxi Zones. Once again, we are the first FHV

regulatory agency in the nation to do this, and we intend to keep developing these tools because we value transparency and strive to ensure that our policies are empirically based. We will continue to look at how technology can help move the industry forward and meet customer needs and expectations.

The fourth area I'd like to emphasize is sustainability. The TLC is committed to mitigating emissions and encouraging cleaner air. As part of this commitment, we are issuing 1,000 new for-hire vehicle licenses for electric vehicles. These new licenses will help electrify the fleet and spur the development of more charging infrastructure. We are currently determining the requirements and application process for the new licenses. We will release more information in early December. While the prospect of new licenses is exciting, I urge potential applicants to wait on purchasing a new vehicle until those requirements and processes are released.

We are also working on a comprehensive electrification plan – a roadmap of how we will replace gas-powered vehicles with electric vehicles and stand up the necessary charging infrastructure. EVs are a win-win for drivers and customers. Drivers appreciate the fuel savings and customers want sustainable transportation options. The for-hire vehicle industry has a role to play in being part of the climate solution.

This includes commuter vans, which reduce congestion and emissions. We are working with the state on technology and safety improvements that can help advance this sector. We are in favor of state legislation to allow commuter vans to

receive street hails. They are a lifeline to residents who often live in transportation deserts.

We will do this while continuing to make vehicles more accessible for people with disabilities. I am proud to tell you that there are over 6,000 accessible taxis and for-hire vehicles on the road now—including almost 2,000 more wheelchair-accessible vehicles (or WAVs) than last year. More needs to be done, which is why we are looking at how we can increase the number of WAVs across all sectors and make our Accessible Dispatch Program even more effective. The TLC is committed to meeting our 50% WAV goal for taxis and will work closely with our medallion owners on this. In addition, we will continue to work with the high-volume for-hire industry so that at least 80% of WAV trip requests are provided within 15 minutes.

I am so excited to lead the TLC and the industry into a new frontier, where we emerge from a global pandemic stronger, more resilient, more accessible, and more environmentally sound than before. We will continue to support our drivers, our riders, and our city as we rebuild and get people back where they need to be for work, family, and fun.

Thank you again for the opportunity to be here today and I am looking forward to answering any questions.