Testimony of Commissioner David Do

New York City Taxi & Limousine Commission

Before the City Council Committee on Transportation & Infrastructure

PRELIMINARY BUDGET FOR FISCAL YEAR 2025

March 14, 2024

Good afternoon, Chair Brooks-Powers and members of the Committee on Transportation and Infrastructure.

Thank you for inviting me to brief you on the status of the Taxi & Limousine Commission's operations, update you on the industry, and introduce our 2025 preliminary budget. I look forward to answering any questions, and with me today is Deputy Commissioner of Finance Edward Wilton.

Ever since the pandemic brought profound disruptions to TLC-regulated industries we have begun these hearings by sharing how the recovery is going.

Compared to the previous year, overall trips are up 3.7%. We had over 9,000 taxis in service in January—1,000 more than at the same time last year. This is the first time this many have been operating since before the pandemic. In terms of active yellow trips, we are at about 50% of where they were pre-pandemic.

Yellow daily revenue in the month of December, 2023 was $2.7 million. This was 30% higher than a year before, following TLC's first fare increase in a decade.

Trip volumes of our largest sector, rideshare vehicles, are at 92% of where they were pre-pandemic, while liveries and community car service trips are hovering near 70% of where they were pre-pandemic. Rideshare driver gross earnings are stable at between $1,000 and $1,300 a week, consistent with compensation rates since 2021. TLC recently increased minimum pay rates by 3.49% to keep pace with inflation.

Licensed commuter vans—an important asset in providing affordable transportation in underserved areas—still struggle with insurance requirements, which are regulated at the state level. We continue to have dialogue with the State Department of Financial Services (DFS) and relevant stakeholders, and we support the expansion of insurance options and any measures that DFS can take to invest in the stabilization and growth of the commuter van industry.

Critical to stabilizing the taxi industry has been our historic program providing

debt relief for medallion owners negatively impacted by market disruptions and the pandemic—the Medallion Relief Program. Two years ago, I never would have believed I would be here telling you the City has granted almost half a billion dollars in relief, but that is what we have been able to achieve: over $450 million in relief for 2,324 medallions.

In real terms, that is more than 1,900 medallion owners who have been able to keep their homes, provide for their families, and stay afloat through hard times. All New Yorkers should be proud of this achievement. I would like to thank the Council for supporting this program, along with the mayor, the deputy mayor of operations, the participating lenders, the Taxi Workers Alliance, and everyone at TLC and the New York Legal Assistance Group who have worked tirelessly to keep this program moving and growing.

The Medallion Relief Program has been a clear example of how government, private industry, and collective representation can unite to bring positive change to the people of New York.

Our efforts to support the taxi industry certainly will not end there. We are always looking for ways to bolster this iconic transportation resource.

Now I would like to update you on the City's Green Rides Initiative, which requires all Uber and Lyft trips to be either zero-emission or wheelchair accessible by 2030. This first-of-its-kind initiative sets a series of benchmarks to get us there: 5% of all trips must be zero-emission or wheelchair accessible by the end of this year, 15% by the end of 2025, 25% at the end of 2026, and so on.

As part of our launch of this initiative, and after our review of the For Hire Vehicle License Pause, on October 18th we decided to open applications for electric vehicle licenses.

I would like to apologize to the Council for any confusion associated with the launch of Green Rides.

As I mentioned, following Local Law 147, we based our decision to lift the pause on EV vehicles on various factors. These included driver income, potential impact on congestion, traffic safety, utilization rates, access to service, vehicle supply, trip volumes, vehicle attrition, EV infrastructure, and other analytical tools. We were confident that the industry could absorb EV-only licenses without undermining the gains that the license pause achieved.

We decided not to state any limits on applications to avoid scarcity conditions—and a chaotic run on licenses. We wanted to give drivers flexibility to decide if this was the right time for them to transition to zero-emissions and get their own license, without feeling pressured that it was “now or never.”

This strategy was working. Following our announcement that EV licenses would be available, we were receiving 100 to 150 applications a day—a manageable rate that would let us monitor the impact on the industry and adjust accordingly.

We did not foresee that litigation against EV licenses would be filed, or that a temporary restraining order would give drivers only five days to apply for licenses. Once drivers saw the door closing on them, applications skyrocketed to 2,000 licenses a day. This caused the very outcome that everyone wanted to avoid—a run on licenses.

In total, we received 9,756 applications. You may have questions about how the city and the industry are absorbing these vehicles, so I will walk you through how that is going.

About 7,500 of these vehicles are now on the road. EVs now comprise 10% of our rideshare fleet, and January marked the first time New York surpassed one million EV trips in a month.

88% of these new vehicles are owned by individuals. They are small businesspeople, mostly hardworking immigrants, looking for a chance at ownership and a pathway to the middle class. Most of the rest of the licenses are owned by LLCs. It is likely that many of those are also incorporated individuals as well. Leasing licenses can involve significant costs for drivers. We anticipated before making the EV licenses available that there would be heavy demand by individual drivers who were leasing.

So how are these drivers doing? My team and I have been visiting charging hubs and conducting extensive outreach to EV drivers. Here is what we are learning:

Unsurprisingly, utilization rates at the city’s charging stations, particularly DC fast chargers, are at all-time highs—in some cases 10 times what they were prior to Green Rides. On the two coldest days this winter, as a population new to EVs attempted to charge, we saw long lines at several stations. Charging time can double in frigid temperatures, especially if people attempt to charge beyond 80 percent. But once temperatures improved, lines got smaller.

Some charging hubs are busier than others, but there are times of day when traffic is still relatively light at other hubs. How familiar drivers are with the overall charging landscape is important. To this end, we have been handing out informational pamphlets running them through the basics, as well as emailing them about new charging opportunities and discounts.

We also conducted an informal survey of more than a thousand new EV drivers moving through our inspection facility at Woodside, asking them where they planned to charge. About one-third indicated they planned to charge at home. This has likely helped ease the pressure on existing infrastructure.

I visit charging hubs about once a week to talk with TLC drivers. The majority tell me that they are overall happy with their EVs; they like the cars, they like owning rather than leasing, and they like contributing to a cleaner and more sustainable planet. We also know their pay is higher, about $2.89 more per trip.

One thing they all tell me is that they want more charging options. We need more fast-charging hubs, as soon as possible.

To this end, TLC has formed a Charging Task Force. We have been meeting with DOT, DCAS, ConEdison, the New York Power Authority, Tesla, Revel, Electrify America, Gravity, ChargePoint, Port Authority, EDC and other key players to identify and facilitate ways to bring in more chargers for TLC drivers.

The response has been incredible; thanks to Green Rides, the providers now know they have a guaranteed market. They are actively competing to get more hubs up. It will not happen overnight, but every new hub relieves pressure and increases competition.

Less than two weeks ago we saw the opening of the largest, fastest hub yet in midtown Manhattan. We also learned that 48 plugs are coming to LaGuardia by early 2025. We need more hubs everywhere, especially in the Bronx and Queens, and we need them yesterday, but many seeds are being planted and the forest of fast chargers is growing. Our drivers are already benefiting. Uber and Revel just announced a deal giving our Uber drivers 25% off at Revel hubs.

An unforeseen result of the litigation is that the city is now two years ahead of schedule on the Green Rides Initiative. We now have the largest zero-emissions rideshare fleet in the United States. As we indicated in our annual FHV License

Review released on March 1st, additional FHV licenses are not needed at this time due to various factors, including the ongoing litigation. Anyone interested in obtaining an FHV license, however, can still do so provided that it is wheelchair accessible vehicle.

Another concern brought up was how these new vehicles would impact traffic congestion. Despite the new Green Rides EVs, we are still 10% below the 120,000 FHVs that were licensed when TLC extended the pause in 2019. DOT has told us that traffic speeds are about the same as they were prior to the pandemic.

As I stated earlier, most of these new EV drivers ceased leasing gas-powered vehicles. They continue to work for Uber & Lyft, but it is not in the interest of the rideshare fleets to hire even more drivers. They end up having to pay more drivers more money for less trips due to our driver pay formula. There is no profit in it for them.

Although we are not seeing significant increases in congestion due to TLC vehicles, our industry—like the rest of the city—faces congestion pricing. This administration has been clear on our support for the state's congestion pricing plan, but there is more that can be done to help drivers and the industry in its post-pandemic recovery. We need to consider the economic needs of these drivers in order to get congestion pricing right.

Even as we have increased sustainability through Green Rides, we have also continued to increase accessibility. January saw a 33% increase in wheelchair accessible FHV trips over the previous year. We now have nearly 10,000 accessible taxis and FHVs, the most in the agency's history.

We will never stop improving accessibility. TLC is also continuing to work to make taxis more accessible. We are currently in the process of drafting proposed rules which make it easier and more economical for taxi operators to transition to wheelchair accessible vehicles (WAVs). We expect to introduce these rules soon, and we look forward to hearing thoughts from the industry and public.

As you all know, this year marks the 10th anniversary of Vision Zero. The Taxi & Limousine Commission is a committed Vision Zero agency. Per miles driven, our drivers remain the safest in the city. Last year, over 117,000 drivers completed our required refresher course, which has a Vision Zero-focused curriculum.

This year's Vision Zero Honor Roll ceremony will be our biggest yet. For the first time, we will be honoring the city's safest drivers at Gracie Mansion, and we will be inviting all of you to attend!

Now, getting to our budget for Fiscal Year '25. Our total expense budget for FY25 is $59.5 million. $44.4 million is for Personal Services (PS) funding that supports 555 heads, and another $15.1 million is for Other Than Personal Services (OTPS) funding allocated to support agency operations.

We are proud to have helped the Mayor and the City by identifying and contributing to cost-saving measures that will benefit the residents of NYC.

We found efficiencies in basic maintenance and support services, and I am happy to report that we will not be impacted operationally.

We also thank the Mayor for giving TLC the funding to support 100 new TLC officers who will help keep the riding public and our roadways safer. These officers are critical to the TLC's mission and provide a great public service. They make sure TLC vehicles are safe, drivers are safe, and the riding public is protected from all types of illegal activity.

We are also pleased to report that in FY 23 71.3% of our eligible procurements were awarded to MWBE firms, and so far in FY 24 we are at an 82.8% MWBE utilization rate. In total, the TLC projects a 25% increase in the total value of procurements awarded to MWBE firms from FY 23 to FY24. We are also on our way to awarding our first procurement to a Native American firm as part of our TLC Connect project.

Thank you again, Council Members, for giving us the opportunity to update you. I am now happy to take any questions and look forward to providing you with further information.