New Driver Assistance Center Coming

I'm excited to announce that the TLC is partnering with the Department of Consumer and Worker Protection’s Office of Financial Empowerment to launch a new Driver Assistance Center. The center’s mission will be to provide personalized financial counseling and advocacy by financial experts familiar with the unique challenges facing many drivers. The center will be open to all TLC-licensed drivers, and will offer specialized services for medallion owners, including advocacy to push lenders to modify and reduce medallion loans to make them more affordable. There will be financial counselors available to review each driver’s finances one-on-one and discuss their available options to achieve greater financial success and stability. The Center’s staff will also be trained to provide health service referrals and applications for benefits, available from the City’s Human Resources Administration. The TLC and DCWP will be working hard together over the coming months to ensure drivers have access to these valuable services as soon as possible.

Hearing on new congestion rules

At the time of the writing of the column, the TLC was preparing for a July 23 hearing on our new congestion rules, which includes continuing the cap on for-hire vehicles. These rules will lead to less congestion on the road, which benefits all New Yorkers but especially TLC-licensed drivers, who spend too much of their time stuck in traffic.

Before the cap, the TLC received more than 2,000 new for-hire vehicle applications a month for years. These new cars and the ever-increasing competition for passengers created a race to the bottom that significantly lowered driver income. Drivers know all too well they lose out when companies flood the streets with too many cars, and drivers can’t get enough rides to make a living.

We are considering an extension of the cap on for-hire vehicles for another year, and limiting the amount of time that companies can have for-hire vehicles driving empty in Manhattan. The TLC will review the continued effectiveness, as well as any impacts of the cap, after one year and every six months thereafter. As before, new wheelchair accessible vehicles would be exempt from the cap, and the exemption would be extended to include battery-electric vehicles.

App company drivers spend over 40% of total work time cruising empty while they wait for a trip, and greenhouse gas emissions have increased by 62% from 2013 to 2018, according to a study conducted by the TLC and DOT in 2018 and 2019. We anticipate the cap on cruising will lead to a 21% drop in the number of vehicle hours traveled by for-hire vehicles in the Manhattan core, and that regulating new FHV licenses will also lead to a 4% decrease. This will have a significant impact on traffic, since for-hire vehicles now make up nearly 30% of all traffic below 96th Street in Manhattan.

We greatly appreciate the feedback we have heard so far-- and want to share some facts to dispel some of the concerns we have heard.

One concern has been that the extension of the cap will create a medallion-like asset, and that TLC-plated vehicles will be leased at higher rates. The fact is the taxi and FHV industries are completely different. Taxis have been capped at 13,587 since 2014, and have only increased
by about 11% since the 1940s. In stark contrast, the number of for-hire vehicles has grown rapidly until the licensing pause last year-- from 58,295 in 2014 to more than 120,000 now.

Vehicle owners have not begun treating FHV licenses like medallions in the past year. This year, more than 8,000 FHV owners have voluntarily turned in their TLC vehicle licenses and left the road. And even a year into the licensing pause, one out of five owners up for renewal have voluntarily turned in their TLC vehicle licenses.

We are closely monitoring the impact of the licensing pause on lease rates and have reviewed the leasing rates for the most popular FHV leasing companies. The rates are still comparable to a year ago, but we have asked driver groups for documentation of leasing rates increasing. If you see lease rates going up, please share this information with us. If lease costs go up, we can change the driver pay formula to incorporate the higher expenses.

We have also heard repeatedly that the licensing pause will lead to less service in the outer boroughs, and wait times will soar. Yet daily app trips continue to grow in all parts of the city. In the most recent quarter from mid-February through mid-May 2019, trips increased 43% in the Bronx, 15% in Brooklyn, 21% in Manhattan above 96th Street, 29% in Queens, and 62% in Staten Island, when compared to the same period in 2018, before the pause. And wait times have decreased in almost every neighborhood in the city, on average 13% in between 2018 and 2019-- and decreased by 22% in Parkchester and St. George. This growth in trips without a continued increase in the number of new vehicles means more fares for drivers.

There was a media report that trips for Uber have decreased in New York City since TLC’s driver pay protection rules went into effect earlier this year. However, our trip records show that there were almost 15,900,000 trips dispatched by the company in May 2019-- up from 13,579,992 in May 2018.

We look forward to updating you on the hearing in the next column and receiving more feedback on these proposed rules. They will be a critical step to both decreasing traffic congestion and improving driver well-being.

Have a safe and healthy summer,

Acting Commissioner Bill Heinzen