

Testimony of Meera Joshi

NYC Taxi & Limousine Commission Commissioner/Chair

PRELIMINARY BUDGET for FISCAL YEAR 2016

City Council Committee on Transportation

March 5, 2015

Good afternoon Chair Rodriguez, members of the City Council, and the Transportation Committee. I am Meera Joshi, Commissioner and Chair of the New York City Taxi and Limousine Commission. Thank you for the opportunity to speak today regarding the TLC's Fiscal Year 2016 Preliminary Budget, our accomplishments in the past year, and the work ahead.

Today, the number of vehicles and drivers the TLC regulates are historically high. We currently license over 76,000 vehicles compared to 69,000 in 2012, and approximately 135,000 drivers compared to 108,000 in 2012. This increase is especially evident in the black car sector which grew from approximately 7,700 vehicles in 2012 to 23,700 vehicles today, an increase of over 200%. As our licensed fleet grows so does our responsibility to ensure the taxi and for-hire vehicle industries remain safe, accountable and accessible, and during the past year, we have accomplished much to these ends.

My first Commission meeting as Chair in April 2014 was also a major milestone for the City's disabled community. At that meeting the Commission approved a landmark rules package that will make New York City's yellow taxi fleet the most accessible in the nation and, save London, the most accessible taxi fleet in the world. Starting January 2016, the yellow fleet will begin converting to wheelchair accessible vehicles and by 2020, 50% will be wheelchair accessible. By June 2014 we committed to transforming the green taxi fleet as well, and will ensure that by 2024 at least 33% and up to 50% of the green taxi fleet will be wheelchair accessible. The cost of conversion for vehicle owners and drivers will be defrayed in part by a 30-cent per ride taxi improvement surcharge on all yellow and green taxi trips. These efforts will be complimented by expanding our Accessible Dispatch Program citywide and migrating Access-A-Ride trips to accessible yellow and green taxis. Our challenge going forward will be arriving at the best possible solution for providing accessible service in the livery and black car sectors where today almost 90% of the bases are not providing accessible service.

Safety continues to be paramount on the Commission's agenda. Last year, with the support of Council, we implemented rules that give the TLC the tools necessary to more effectively—and most importantly—more quickly suspend and revoke the licenses of unsafe drivers. Additionally, drivers who run red lights are now subject to TLC penalties, and TLC's Safety Squad issued 268 summonses to TLC-licensed drivers who were caught speeding. But remember, the overwhelming majority of our licensees are safe drivers—83% of them get 3 or fewer traffic-related points in a year. So, not surprisingly, last September TLC was able to recognize 295 drivers for having impeccable driving records five years in a row.

Additionally during the past year, we finally attained parity in reporting requirements between the taxi and for-hire vehicle (FHV) sectors and will now require FHV bases to submit electronic trip records. By collecting FHV trip records, the TLC will be able to more efficiently perform core functions that have been possible in yellow and green taxis including: investigating consumer complaints, enforcing safety violations, tracking down lost property, and making informed policy decisions. Through the creation of a comprehensive FHV trip record database, this year will mark the first time in history the City and lawmakers will have access to information about the extent that the livery and black car sectors service our city.

And because technology is a growing part of how for-hire transportation operates, we approved permanent rules to license e-hailing apps; apps that allow passengers to hail a green or yellow taxi through their smart phone. We are also in the midst of drafting companion rules to license apps used to dispatch livery, black cars, and limousines. Although some of these apps have operated in New York City since 2009, and we can currently enforce against the base using an app, enforcement against the app itself is illusory without a licensing structure. So we look forward to the Transportation Committee's input as we move forward with the companion FHV app licensing package.

Although there is much media attention on the many new ways to get a black car, and how fast this can happen, there is a segment of the transportation industry that is often overlooked but is truly a transportation lifeline for many New York City residents, and that's the commuter van network. The TLC is committed to elevating the use and growth of the licensed commuter van industry. Today, over 75% of our licensed commuter vans are authorized to add TLC branding, similar to the "T" on green and yellow taxis, informing customers that the vehicle is licensed and properly insured as well as providing a sense of pride for drivers and operators. NYPD has also been a key partner in increasing our enforcement efforts against illegal commuter vans, and together we pulled 112 illegal vans off the road in the last eight months. But they do come back, so we look forward to working with Council on ways to increase the penalties for illegal operation of commuter vans.

TLC continues to vigorously enforce against unsafe illegal operators, especially in hotbeds like the airports. In the last eight months, TLC inspectors have seized almost 3,000 illegal vehicles, (1,200 at JFK) and issued over 6,000 summonses for illegal pick up or drop off. Four months ago, in conjunction with the Port Authority Police, we began undercover operations at arrival terminals where hustlers congregate, resulting in dozens of arrests. I expect this partnership to continue and grow.

TLC also continues to enforce against FHV licensees who illegally accept street hails and, in the last eight months, we have issued over 7,400 summonses for illegal street hails, up 6% from last year. TLC is also monitoring illegal streets hails primarily in Manhattan where we issued 2, 000 summonses since July.

From July 2014 through January 2015, our licensing unit processed over 52,000 driver applications and 34,000 vehicle applications, a marked increase from the same period last year when we processed 46,000 driver applications (or 12% less than today) and 27,000 (21% less than today). The difference is even starker when you compare it to Fiscal Year 2013, when we processed 40,000 driver applications (23% less than today) and 22,000 vehicle applications (34% less than today). The ever-increasing volume

has strained our ability to lessen wait times—a high priority for the agency. In Fiscal Year 2013, the average wait time to get a medallion driver’s license was 50 days and the average wait time to get a FHV driver’s license was 20 days. By June 2014, three months after I started, it took an average of 90 days to process both types of licenses. Despite continued heavy volumes, we have introduced efficiency initiatives that are already working and last month we decreased that all-time high of 90 days to 62 days for a taxi driver’s license and 35 days for a FHV driver’s license.

I expect these indicators will improve as we continue to integrate more efficiencies. In the last few months we added bar codes to applications and created a new application database that allows us to track applications and identify and resolve bottlenecks. To expedite the licensing process, we are finalizing a program that will send text message notifications to applicants to alert them of missing documents. We continue to make enhancements to our online transaction system by adding features that spare licensees a trip to our office, and we are also in the midst of a plain language project to rewrite all public facing licensing documents to ensure that they are easy to understand. And by the end of 2015, our licensing unit is moving into a new, larger and improved space in Long Island City that will accommodate our growing staff and better serve the growing universe of TLC licensees.

It is important to keep in mind that when I joined the TLC as General Counsel in 2011, there were no green taxis and, although some people used smart phones to get cars, apps were the exception, not the norm. Four years later, green taxis complete approximately 50,000 hail trips a day, while the black car sector, which has grown by 200%, is now primarily dispatched by smart phone apps. Additionally, the MTA ridership is at a historic high, and as the temperatures warm, Citi Bike, again becomes a quick and easy transportation alternative throughout parts of Manhattan and Brooklyn. Also last summer the City got the authority to sell 1,600 additional medallions, the largest planned influx of medallions to the market since passage of the Haas Act in 1937. Given these changes occurring across the TLC-licensed industries and to the City’s transportation network, not surprisingly, there has been a dip in yellow taxi trip volumes of about 6% and a roughly 3% decrease in yellow taxi fares, while the few medallion transactions that have occurred over the last year have been at prices that are lower than those seen in early 2013 and late 2012, at a time when the above factors had yet to come into play. TLC is currently monitoring and evaluating medallion market trends, but what is clear, is that even during this time of increased usage of FHV dispatch apps, the hand hail is the overwhelming method of choice for passengers, with hundreds of thousands of passengers hailing yellow taxis every day, while, at the same time, the volume of passengers hailing green taxis continues to grow at a rapid pace.

The Preliminary Budget for Fiscal 2016 of \$68 million supports all of our daily operations and new initiatives in a fiscally responsible manner. Of that, \$38.5 million is dedicated to Personal Services and \$29.5 million is for Other Than Personal Services (OTPS).

Major line items in the expense budget include \$18 million in grant issuance for street hail livery (SHL) permit holders who bring wheelchair accessible green taxis into service. The grant program supports our accessibility goals by helping to defray the costs of wheelchair accessible vehicles. As of February 25th, we have awarded 770 grants totaling \$11.5 million, with 47 more in the final approval process.

New initiatives funded in this budget include a dedicated field enforcement operation at LaGuardia Airport, roll-out of a city-wide accessible dispatch system, compliance monitoring of trip record submissions, and staffing to support enforcement of new technologies and accessibility standards. In addition, the Fiscal Year 2016 budget has another \$1.1 million in funding for licensing improvements and additional staff. These new initiatives account for the increase in the agency's headcount from 633 to 700 in the preliminary budget.

We also continue to evaluate the TLC revenue budget and forecast. For Fiscal Year 2015, we have a plan that assumes a medallion sale by the end of this fiscal year. That is our current plan and we continue to study the changes in the market.

We have also budgeted \$312 million in revenues for the sale of 345 wheelchair accessible medallions in Fiscal Year 2016. We are always evaluating each budget line item and we recognize it's a small but valuable element of the City budget. We continue to work with the Office of Management and Budget to ensure a precise revenue forecast.

It's been a busy year. We have increased access for people with disabilities, implemented new programs to improve safety for the riding public, and have expanded accountability measures. In the coming year, I look forward to working with the Council to address a changing transportation environment and to ensure our regulated industries remain safe, accountable, and accessible.

This concludes the TLC Preliminary Budget testimony for Fiscal Year 2016. I thank you for the opportunity to testify today. At this time, I would be happy to answer any questions you may have.