



New York Taxi Workers Alliance

AFL-CIO, Intl. Transport Workers' Federation

31-10 37th Avenue, Suite 300, LIC, NY 11101

Phone: 718-706-9892 E-mail: Media@nytwa.org / www.nytwa.org

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NYC Taxi and Limousine Commission
33 Beaver Street, 22nd Floor
New York, NY 10004

Dear TLC Commissioners,

I submit this supplemental comment pursuant to General Counsel Ryan Wanttaja's invitation to all testifiers at today's public hearing to submit additional comments in writing to be included in the record. I would also like to express my intention that all members of the Commission receive this supplemental letter along with all previously filed comments.

First, based on comments by TLC Commissioners during the hearing, including those made by Commissioner Sorrentino, it appears that the Commissioners' understanding is that the TLC's current Medallion Relief Program was, to some extent, imposed on the TLC by the Mayor's office and that the TLC was merely asked to administer the program. This is a surprising view of this program given that we are in the middle of a rulemaking process, which explicitly contemplates revisions based upon public feedback.

The Commission can - and must - commit to the guarantee program proposed by NYTWA today, regardless of whatever policy preferences the Mayor may have. Any executive directives notwithstanding, the Commission retains the power and the influence to advocate for a comprehensive solution to this crisis that would provide meaningful debt relief and end the financial and humanitarian crisis facing drivers once and for all. If, as Commissioners, you sincerely believe that your hands are tied and all control rests with the Mayor, you must withhold your vote and call for a real solution. Your votes represent the power that you have to get real relief for a workforce you license and whose blood, sweat, and tears give your agency its budget, mission, and name. We urge you to withhold your votes on this current proposal until this program is transformed from a cash give-away to lenders into an actual debt relief program that brings loan balances in line with the market value of the medallion and creates manageable monthly payments for owner-drivers.

Second, I would like to address Chair Heredia Jarmoszuk's mischaracterizations of the New York Taxi Workers Alliance's proposal for a medallion guarantee program, which we are calling to be added to the proposed medallion relief grant program. A medallion guarantee fund is nothing

novel, radical, nor fiscally irresponsible. In fact, a medallion guarantee program was first recommended by the City Council Medallion Task Force, which spent a significant amount of time investigating the medallion crisis and putting forth recommendations. In other words, the concept of guaranteeing medallion loans has been endorsed officially since January 2020. Indeed, during her confirmation hearing, Chair Heredia Jarmoszuk praised the City Council Medallion Task Force, stating: “The Task Force did an incredible job putting this comprehensive report together, both to give historical context and to really dig into the current situation.”¹ More specifically, the Chair promised her “absolute[] ... commitment” that if confirmed she will “help advance the recommendations that are in the [City Council Task Force] report and sort of really provide the financial relief that the drivers that are in this horrific situation need.”²

Additionally, NYTWA has publicized and campaigned for our plan since the summer of 2020. Our plan was even vetted by the New York City Comptroller’s office in November of 2020. The New York City Comptroller, the chief financial officer of our City, concluded that our “proposal offers a strategic and comprehensive roadmap to relieve crushing debt, resolve non-performing loans, and save taxpayer money.”³ Also in November 2020, the New York State Attorney General added that the NYTWA plan “would provide a fiscally fair and responsible way to support the recovery of the taxi medallion industry by guaranteeing loans” and that it was “essential that [the City] moves forward on this relief package immediately to mitigate the harm already done.”⁴ The New York State Senate also held a budget hearing on legislation sponsored by Senator Ramos to establish such a guarantee program. Chair Heredia Jarmoszuk testified at the hearing - five days before announcing the TLC proposed grant program in March 2020 - that the city would support the legislation. Representative Ritchie Torres, along with over 10 Council Members, also released a letter in fall 2020 calling for a guarantee program. In fact, following the TLC hearing today, the City Comptroller responded with the following statement:

As the chief financial officer of the City of New York, I vetted the New York Taxi Workers Alliance medallion debt relief proposal and deemed it effective, reasonable, and fiscally sound. NYTWA’s plan is the most strategic and comprehensive roadmap we have to relieve crushing debt, resolve non-performing loans, and save taxpayer money.

¹ See Transcript of City Council Transportation Committee Hearing (Feb. 3, 2020), available at <https://councilnyc.viebit.com/player.php?hash=4wB54Cf4XIte> at 19:47

² *Id.* at 21:13.

³ Press Release: *Comptroller Stringer Announces Support for New York Taxi Workers Alliance Proposal for Medallion Debt Relief*, (Nov. 12, 2020), <https://comptroller.nyc.gov/newsroom/comptroller-stringer-announces-support-for-new-york-taxi-workers-alliance-proposal-for-medallion-debt-relief/>

⁴ Press Release: *Attorney General James Supports Relief Package for Taxi Medallion Owners* (Nov. 18, 2020), <https://ag.ny.gov/press-release/2020/attorney-general-james-supports-relief-package-taxi-medallion-owners>

However, the de Blasio administration continues to mischaracterize NYTWA's proposal—namely that the proposal is not fiscally possible and that it would take two years to implement. Let me be unequivocally clear: NYTWA's plan is fiscally sound, reduces cost and risk to taxpayers, and can be implemented without delay. In contrast, the City's current plan for debt relief for taxi drivers would spend more money to forgive less debt than the NYTWA proposal.⁵

Thus, the TLC has been on notice about a medallion guarantee plan from NYTWA and our members, from the City Council, the Chief Financial Officer of the City, the Chief Legal officer of the State and various other City and state officials for over a year. This is not a new concept that must be developed from the ground up. The TLC's prior failure to engage with a plan broadly endorsed by those with the relevant expertise is not a valid reason for TLC not to engage with NYTWA's plan now.

It is at best disingenuous and misleading for the Chair to raise the prospect of how long it would take to adopt a guarantee to supplement the existing proposal, after so much of the initial groundwork to validate and vet the proposal has already been done. Indeed, the Chair's comments that, at this point, it is just too late to work towards an alternative plan requiring additional funding would occur, is, to be sure, simply false. As detailed in our initial comment on the proposed rule, submitted September 24, 2021, the City is well within the timeframe and its authority to allocate the funds needed to support a guarantee in the quarterly city budget amendments process, which must be submitted by October 31, 2021.

Third, the Chair stated that the City cannot bring about a systemic solution; meaning essentially a maximum loan amount that no loan can be under. She has said this is not possible as loans are individualized. However, the largest lender in the industry has capped their restructuring at \$275,000. That means that, whether the balance is \$500,000, \$700,000, or \$300,000 the new voluntary restructuring will bring down the loan to \$275,000. Similarly, lenders offering cash settlements to borrowers are applying the same amount to settle loans. Our proposal to leverage a guarantee to have no loan above a set amount (\$175,000) is well within the frame of how the industry is already acting.

Fourth, during her opening statements, the Chair suggested that taxi drivers are currently seeing "record earnings." However, the Chair left out the fact that these "record earnings" are in part because there are currently 56% more taxis on the road than pre-pandemic levels. In other words, the "record earnings" are inflated by at least 56% based on the lack of taxis on the road. Once again, instead of making policy based on a sound reading of the data, the TLC is engaging in

⁵ <https://twitter.com/NYCCComptroller/status/1442597673664716802/photo/1>

unrealistic speculation and relying on best-case scenario projections as the basis of our long-term policy.

Finally, it is unacceptable that the Medallion Relief Program is being rolled out prior to the finalization of the rules. The MRP was repeatedly characterized in the hearing as “under way” or “in progress,” despite the fact that the Commission has yet to even vote on the rule that would establish the guideline for the program. It is not clear under what legal authority the TLC is acting. Further, this allows the Commission and Chair to misrepresent key aspects of the program and amount of relief being offered--such as promising to subsidize loan payment for drivers for up to a year, which is nowhere in the text of the rules themselves.

Not one speaker at today's hearing endorsed the TLC proposed plan as a standalone solution to a massive crisis. Almost every single testifier-- and the 100+ drivers gathered in protest outside City Hall-- implored the City and the TLC specifically to put forth a solution that will resolve this crisis, and that simply cannot be done without addressing the new loan balance and monthly payment. The TLC proposing rules which cap percentage write-downs at 40% and seemingly cap monthly payments at as much as \$2,000 is a reflection that the TLC must have known the lenders would not agree to more relief with just a \$20,000 cash down-payment.

So the real question before you, Commissioners, is: do you believe owner-drivers deserve a life free from life-long debt? When the drivers say that loans restructured to \$275,000 at \$1,600 per month has also forced many to file bankruptcy - and has outraged hundreds to protest for 24 hours a day, every day for the past nine days - do you believe that the choice to engage in the program is a choice of free will for which you, as regulators, bear no responsibility, or a desperate act of survival in response to a policy failure? You have the power to stand with the drivers who are fighting for their survival. You can call on City Hall to add the City-backed guarantee to the grants program and create a vehicle to resolve this crisis. Your choice is not a band-aid or nothing. The City has the funds. The proposal is sound. Your refusal to vote can make a real solution possible.

Sincerely,

A handwritten signature in black ink that reads "Bhairavi Desai". The signature is written in a cursive, flowing style.

Bhairavi Desai, Executive Director
New York Taxi Workers Alliance