

**Testimony of New York City Department of Consumer Affairs
Before the
New York City Council Committee on Consumer Affairs and Business Licensing

Hearing on
Introductions 289, 723, 725, & 727 Regarding Sightseeing Buses**

April 24, 2018

Good morning Chairman Espinal and members of the Committee on Consumer Affairs and Business Licensing. My name is Casey Adams and I am the Director of City Legislative Affairs for the New York City Department of Consumer Affairs (DCA). I am joined today by some of my colleagues from the department and I would like to thank you for inviting DCA to testify about Introductions 289, 723, 725, and 727, all of which relate to the regulation of the sightseeing bus industry in New York City.

Currently, DCA licenses eight sightseeing bus companies that operate 197 vehicles. DCA enforcement staff inspect all sightseeing buses at least once every four months to ensure that they are in compliance with local laws and rules which mandate, among other things, the posting of consumer disclosures and rate schedules, the maintenance of a clean and sanitary interior as well as functioning exterior lights, signaling devices, and windshield wipers, and the installation of headphone-limited sound reproduction systems. In addition, sightseeing buses must be inspected every six months by the New York City Department of Environmental Protection and the New York State Department of Transportation for compliance with emissions and road safety standards, respectively.

We appreciate the opportunity to be here today with our partners from the New York City Department of Transportation (DOT) to discuss proposed changes to the regulation of the sightseeing bus industry. The sightseeing bus industry plays an important role in supporting our city's booming tourist economy and we share a collective goal to ensure that important industries can thrive and that consumers, including both tourists and New Yorkers, are protected. We believe that some of the proposals being discussed today would help to streamline existing regulatory processes without sacrificing protections for consumers. I will offer brief comments on each bill.

Introduction 289

First, we will discuss Intro. 289, a bill that requires sightseeing bus companies that operate double decker buses to ensure that an employee is stationed on the top deck of a bus whenever consumers are present there. The top deck employee must be licensed as a sightseeing guide by DCA. As a policy matter, DCA takes no position on the desirability or necessity of having a second employee present on the top decks of sightseeing buses and we look forward to hearing more from the Council and advocates about why this change is needed. We note that, under current law, licensed sightseeing guides who drive sightseeing buses are already prohibited from explaining, describing, or lecturing while a bus is in motion. A driver who is not a licensed

sightseeing guide may not explain, describe, or lecture regardless of whether the bus is in motion.

Introduction 723

Intro. 723 requires that sightseeing bus companies obtain stop authorizations from DOT before applying for a license from DCA. Currently, the law does not require sightseeing bus companies to have stops assigned in order to obtain a license from DCA. In addition, the bill allows DCA to suspend or revoke a company's license if DOT revokes one or more bus stop authorizations. DCA supports Intro. 723 because we believe it will streamline the regulatory process and more closely align licensing requirements with broader traffic impacts.

Introduction 725

Intro. 725 would cap the number of sightseeing bus license plates at 225, preventing DCA from issuing additional license plates above that number. Individual license plates are distinct from the license that must be obtained by a sightseeing bus company. One licensed company may have many license plates- in fact, Gray Line and City Sights, which together comprise Twin America, currently hold 93 plates, or almost half of all active plates. At the moment, there is no cap on the number of license plates that can be issued either overall or to an individual company.

DCA would like to offer a note of caution about this proposal. As we stated at the Council's 2016 hearing on an earlier version of this bill, a competitive market is often good for consumers because it may put downward pressure on prices and push companies to innovate. Today, the sightseeing bus market in New York City is highly consolidated. DCA reviewed historical licensing data back to 1991 and found that the eight companies currently licensed is equal to the lowest number of companies licensed for any year studied and is well below the historical average of 20 companies for the years reviewed. Today, there are eight companies operating 197 buses. In 1995, for example, there were 27 companies operating 144 sightseeing buses. Under a cap system, current licensees would be able to renew their existing license plates, giving current market participants another advantage over new entrants in a business that already has high barriers to entry, undermining competitive pressures that can work to the benefit of consumers.

In addition, capping the number of license plates could undercut incentives for companies to expand tours outside Manhattan. At the Council's 2016 hearing, Council Members from Brooklyn and Queens remarked that their communities also have much to offer sightseers and tourists, but only rarely see the sightseeing buses and other tourism businesses that could benefit local small businesses by bringing in foot traffic and spending power. Limiting the number of available buses could push companies to place them in tried and true markets- mostly in Manhattan- rather than exploring new and untested routes in other communities across the city.

Introduction 727

Intro. 727 would prohibit sightseeing bus companies from employing drivers unless they meet certain requirements. The Administrative Code required DCA to issue sightseeing bus driver licenses until 1995, when the provision was repealed as “duplicative” of state requirements. DCA understands that Council intends to hold companies accountable for hiring safe and qualified drivers and we commend that goal. However, many of the requirements in this bill, especially those related to driver safety and infraction records, partially overlap with state laws and rules governing Commercial Driver Licenses (CDLs) or the standard promulgated by the Federal Motor Carrier Safety Administration on which they are based. It is important to remember that DCA is a consumer protection and licensing agency, not a traffic safety agency like the state entities that regulate and issue CDLs in New York and other states. We recommend that the bill be amended to require that companies hire only those persons who hold a CDL valid to operate a sightseeing bus from either New York or another state whose licenses are reciprocally recognized by the NYS DMV. Under this approach, DCA would be able to issue a violation to a company that fails to ensure that its drivers are properly qualified by a traffic safety agency with the mandate, means, and expertise to test and monitor those qualifications.

Conclusion

I would like to thank the committee for the opportunity to testify today. We share the Council’s goal of ensuring that sightseeing buses are safe, clean, and dependable experiences for the millions of tourists that make New York City one of the world’s top tourist destinations every year and for the New Yorkers who share our streets with these vehicles. I will be happy to answer any questions you may have.