

David Do Commissioner/Chair

Sherryl A. Eluto General Counsel/Deputy Commissioner for Legal Affairs and Prosecution

33 Beaver Street 22nd Floor New York, NY 10004

New York City Taxi & Limousine Commission

Proposed Rules - Increasing upfront TIF Payments

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Increasing upfront TIF Payments

#rules.cityofnewyork.us/rule/increasing-upfront-tif-payments/



Rule status:

Proposed

Agency: TLC

Comment by date: January 9, 2025

Rule Full Text TLC-Proposed-Amendment-to-Upfront-TIF-Payment-Rules_FINAL_12_03_24with-cert.pdf

This rule package will increase the upfront amount of payment from the Taxicab Improvement Fund, payable to medallion owners that hack up accessible taxicabs.

Attendees who need reasonable accommodation for a disability such as a sign language translation should contact the agency by calling 1(212) 676-1135 or emailing by January 8, 2025

Send comments by

- Email:
- Mail: TLC, Office of Legal Affairs, 33 Beaver Street Room/Floor. 22nd Floor ; New York, New York 10004

Public Hearings

Comments close by January 9, 2025

Add a comment

Notes. * "Required" indicates a required field. Your email address will not be made public.

Online comments: 5

• Humaun Ahmed

I have a concern that drivers will no longer be incentivized to take wheelchair rides if the deadhead fee is removed as I know a number of drivers who will act as though they have never seen a wheelchair customer on the road but will accept the wav job electronically dispatched due to the deadhead fee. Taking this payment away will cause for drivers to ignore customers for a better experience for themselves.

Comment added December 22, 2024 8:49am

• MD HOSSAIN

I am a medallion owner of 8G31. I purchased this medallion based on the belief that the TLC would continue the operational payments of \$1,000. It is unfair to give new owners \$35,000 unless you also pay the existing owners of WAVs the same amount or continue the rules that were in effect when we purchased. I need this money to help pay off the car and provide for my family. I also think you should continue the \$1 payment to drivers.

Comment added January 2, 2025 10:53am

• Khokan Barua

This rule needs to amended to account for medallion owners that have already hacked up WAVs. I am a medallion owner and made financial decisions based on the understanding that I would receive \$14,000 for the hack-up process, \$1,000 quarterly operational payments, and \$1 per trip incentives. These financial supports were critical in offsetting the substantial cost of purchasing and maintaining WAVs, which are inherently more expensive. I've had a lot of problems with my car and have no other options but to buy a WAV. By removing the operational payments and trip incentives, the TLC is fundamentally altering the financial equation that I relied upon when I made this investments.

This creates an unfair system where early adopters of WAVs, who acted in good faith to support accessibility goals, are penalized for their commitment and may end up with a lot less while others get \$35,000. The lack of retroactive adjustment must be addressed. Make sure that all medallion owners who have WAVs get at-least \$35,000 or grandfather in the old owners with the old rules. TLC MUST ADDRESS THESE CONCERNS!

Comment added January 2, 2025 1:51pm

• Navjeet Singh

I am medallion owner . And I bought medallion on August ,2024. This rule applicable retrospectively . Then amount should be distributed to all guys . If someone take benefit then deduct that amount. Rest of the amount given to him

Comment added January 3, 2025 12:21am

• Downstate New York ADAPT

Attached are the written comments of several disability organizations in response to the New York City Taxi and Limousine Commission's (TLC) request for testimony in response to the public hearing scheduled to be held on Thursday, January 9, 2025, regarding the proposal to amend the TLC rules to improve wheelchair accessible taxicab service by changing how the Taxi Improvement Fund is administered.

Comment attachment 1-8-2025-Final-Submitted-Comments-to-NYC-TLC-On-Increasing-Upfront-Taxi-Improvement-Fund.pdf Comment added January 8, 2025 4:49pm

boakye100@hotmail.com
tlcrules (TLC)
[EXTERNAL] Medallion 3D63
Monday, January 6, 2025 10:38:57 PM

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Hello, commissioner,I am an independent medallion owner,and would like to give my input on the proposed rule regarding the Tif. Although, I think the \$35,000 upfront for the wheel chair cost is a great idea,however, I still believe the drivers \$1 tif should be reduced to atleast \$.50 cents,instead of nothing. Secondly, for those of us who bought our wheel chairs taxis when the upfront fund was \$14,000, are we gonna get the remainder of our funds one time? Or is the tlc gonna continue giving us the \$1000 every quarter?. I believe the tlc giving us the remainder of our funds one time will be a good idea. Thank you

Good morning. My name is Richard Chipman, and I am the president of Westway Medallion Sales Inc. I am a licensed NYC Taxi Medallion Broker and have been in the industry for 46 years. I am 4th generation in the industry. I will be speaking on behalf of owner drivers and brokers.

First off, if a Medallion owner decides to sell their medallion prior to the 7 years, the new owner would not be entitled to the \$35,000.00. This would force a medallion owner to sell their medallion at a \$35,000.00 discount if they want to sell before their 7 years are up. If the medallion owner sells prior to 5 years, they would be required to pay back part of the \$35,000.00 along with having to discount their medallion. This is not good for the stability of the medallion market. This is also not good for the city because the city gave city backed guarantees for medallion loans and this will have a huge impact on the average price of a medallion. For owner drivers, buying a medallion is already a daunting decision and these rules make it an even bigger liability. Locking owners into keeping their medallion for 7 years or face large penalties is a huge burden. The TLC should avoid causing this massive hit to medallion prices by changing the rule to allow TIF to be received before every 7 years if the medallion is sold to a new owner. If the city does not give a new medallion owner the \$35,000.00 TIF payment they would be creating a class of medallion that nobody is going to want.

If their car has a bad accident and needs to be replaced, the owner will get a \$5,000.00 fine if it takes them longer than 10 days to get the new car on the road. In many instances it could be impossible to replace the car that quickly, owners should have 30 days to replace their car and if the car needs to be replaced, they should not have to pay back any portion of the TIF money received. This would be a double hit for the owner, losing a car and having to pay back money.

Taking away the operational payments from owner drivers who purchased wheelchair accessible vehicles prior to the new rule proposal is not fair, these individuals are counting on this income to cover expenses to operate their vehicles. They should be grandfathered into the old rule, or there should be some type of true up in payments to them.

At the time of a closing, the TLC needs to let us know as brokers exactly how much to collect from the old owner and this would have to be a real number with a clearance. If the TLC makes a mistake, the new owner should not be held responsible for any claw backs. Presently when we sell a medallion, we are told that the medallion is clear and no money is owed. Frequently money is actually owed and the new owner is held responsible. What we need is a real clearance when we sell a medallion, and the TLC needs to implement a

system to prevent medallions from being sold until they are 100% sure no money is owed. Most medallion buyers put their life savings into the purchase, and it is not right to hold them responsible for the TLC's mistakes.

TIF money in the new rule proposal follows the medallion number, the rule should be that the TIF money follows the vin number, in the event a medallion is sold, and that car is put to use on another medallion there should be no penalty to the medallion owner.

I believe that the new rule should be going forward and not retroactive. A person who purchased a WAV prior to this new rule and wants to sell, should not have to pay back any money that they received for TIF. All medallions going forward should be entitled to receive \$35,000.00 for their vehicles regardless of when they received TIF prior.

From:	Muhammad Zeeshan
То:	tlcrules (TLC)
Subject:	[EXTERNAL] Wheelchair rule
Date:	Wednesday, January 8, 2025 1:35:57 PM

You don't often get email from zeeshan.qc@gmail.com. Learn why this is important

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Hello I am the medallion owner and I own this since 2007. In this time I have seen a lot of ups and down in NYC taxi industry. I have seen uber taking over our business than Lyft than city bike than ravel than pandemic than MTA congestion surcharge than TLC surcharge than new MTA surcharge. So each and every thing i mentioned affected nyc yellow cab business but no body cares. A lot of cabbies committed suicide because of financial burdens and now TLC imposing another burden for medallion owner by forcing them to put wheelchair accessible vehicles which I do not even have to put by rules and regulations since I do not have a wheelchair medallion. So I'm asking TLC to look again in this situation and we cannot afford a wheelchair vehicle which cost one hundred thousand dollars (100,000)even TLC pays 35k still not worth it. Therefore if we really have to put these cars a lot of people will return there medallion which is no good for the city and TLC as well. So therefore look into this and try to help us in these tough times not to put more burden on our shoulders which we can't handle. Thanks and have a good day

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Hi TLC,

I am requesting to attend the hearing scheduled on January 9th, 2025 at 10 am. Please send me the link to the meeting.

My official statement as follows.

TLC should consider to pay the outstanding balances to the medallion owners that have already submitted the applications for this program prior to making new changes. My father brought a wheelchair accessible vehicle in 2021, and even after 3 years of correspondence with TIF, we did not receive the hack up payments. We had reached out to the commissioner through our brokerage company, yet the best we got is that "why didn't they get paid" and "there was a glitch in the system, that's why you didn't receive your payments".

It is painful that the TIF email and contact number is a black hole and the medallion owners are not granted with the allocated funds on time.

Thank you. Bivob Paul



Peter M. Mazer General Counsel

COMMENTS SUBMITTED ON BEHALF OF METROPOLITAN TAXICAB BOARD OF TRADE TAXI AND LIMOUSINE COMMISSION PUBLIC HEARING TIF Rule Amendments January 9, 2025

Good day, Chairman Do and Members of the Commission. These comments are submitted on behalf of the Metropolitan Taxicab Board of Trade, (MTBOT) a seventy-year-old association representing the owners and operators of licensed New York City medallion taxicabs. We request that these comments be made part of the record, and that they supplement the public testimony of MTBOT. We are encouraged that the TLC is recognizing the significant financial hardship facing owners who are now compelled to replace their retiring taxicabs with substantially more expensive WAV vehicles. The proposed increased upfront TIF payment will be of significant help to offset these costs and substantially increase the number of WAV taxis available to the public as required by the Federal Court. However, we regret that the proposed amendments would eliminate TIF payments made to hard working drivers operating these vehicles, as well as the maintenance payments to owners who relied on these TIF payments when they hacked up their existing WAV vehicles. Indeed, by eliminating maintenance payments, the overall payments to medallion and vehicle owners will actually be lower under the proposed rules than under existing rules. We strongly urge the TLC to find alternative means of funding the TIF program adequately to restore these anticipated cuts. The proposed hack-up payments will by no means make the taxicab industry whole for the substantial increase in costs which the taxicab industry continues to face--- such as increases in the costs of purchasing and maintaining vehicles, additional mandatory surcharges such as the new congestion surcharge (on top of the two surcharges already borne by passengers), and the likelihood of a substantial increase in

liability insurance costs --- the new up-front payments will provide some needed assistance to medallion owners. However, there are some serious concerns with the text of the rules as proposed, and we request that a number of changes be made.

The statement of basis and purpose implies that grants are available for both new car purchases and vehicle conversions. The rule as written is not clear, and we urge the TLC to clarify that grant money is available for both new cars and used vehicle conversions for accessible service. Since the TLC permits used non-accessible vehicles be converted to accessibility, owner who exercise this option should also benefit from this grant, especially since other benefits, such as maintenance payments and payments to drivers, currently available, are being eliminated.

Proposed Rule 58-50(1)(ii) requires that the WAV vehicle be hacked up and placed into service before any part of the \$35,000 hack-up payment can be made. This will create a substantial hardship for owners who, under the TLCs new regulations, are now required to hack up costly WAV vehicles. Medallion owners will either be required to fund the entire out of pocket cost of a WAV purchase or new car conversion or be required to obtain financing to cover these substantial costs before any portion of the hack-up payment will be made. Many owners are unable to obtain financing and also do not have funds available to pay for a WAV vehicle. We propose that this section of the proposed rule be amended to allow owners who have either signed a purchase order for a new WAV vehicle or who have entered into a contract with a retrofitter to convert a used vehicle for accessible use, be provided at least a part of the grant money before the vehicle is actually delivered or placed into service. This change would provide financial assistance to owners and will enable the industry to place more accessible vehicles into service quickly --- the goal of this proposed rule. The rule could include a provision for the return of any advanced funds in the event the vehicle is not placed into service timely, to protect the TLC and the TIF fund.

Proposed rule 58-50(1)(i)(a) states that the application for a grant must be made within six months of the hack up of the vehicle. It is not clear from this section if the six-month period applies to owners who placed WAVs into service up to six months prior to the effective date of

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this proposed rule. There are owners who are presently complying with the requirement to place WAV vehicles into service. It is not clear if they will be entitled to apply for the enhanced grant. An owner who places a car into service today would, under existing rules, receive a \$14,000 grant, as well as the expectation of maintenance payments and payments to drivers. If these new rules go into effect, would these payments stop? And if so, could this owner be eligible to retroactively apply for the remainder of the new grant (i.e., an additional \$21,000). If that is not the case, then medallion owners complying with rules as they exist today would be placed at a considerable disadvantage from others who wait until the new rules go into effect to hack up their WAVs.. We believe that it is necessary for the proposed rules to be clarified to address the rights of medallion owners who had placed WAV vehicles into service prior to the effective date of the new rule, have received lower hack-up grants that are being proposed, but who have the expectation of ongoing maintenance grants and driver payments.

The proposed rules would permit an owner to receive a grant only once every seven years and would require an owner to return a portion of the grant money if the vehicle is not in service for at least five years. The seven-year requirement is not workable, as many lease-to-own vehicles permit drivers to receive title to the vehicle after three years. These drivers can leave their agent and enter into a contract with another agent, leaving the original agent with a medallion ineligible for a grant and an obligation to return part of the grant money received. Medallion owners without a WAV vehicle that have already received a grant would be unable to either sell their medallion, except at deep discount, (since the purchaser must obtain a new vehicle and would be ineligible for a grant) or contract with another agent who would be unwilling to assume responsibility to operate a medallion ineligible for a grant.

Before imposing these requirements, the TLC should consider the impact these rules would have on the Driver Owned Vehicle segment of the industry. As an alternative we propose that the grant money be made available no less frequently than at least once every four years, rather than only once every seven years.

The penalty provisions for proposed rules 58-50(i)(5) and (i)(6) are inconsistent with the text of the proposed rules. The rules would require that the medallion owner who has received a

grant be required to keep a WAV in service for a minimum of five years. If a WAV is not maintained on the medallion for at least five years, in accordance with the proposed rule, the owner must refund a pro-rata portion of the grant money. For example, if a WAV is only on the medallion for four years, one-fifth of the grant money (i.e. \$7,000) would need to be remitted to the TLC. However, the penalty section for the rule suggests that the penalty would be a \$5,000 fine and restitution of the entire grant, a far greater penalty than that intended by the rule. I propose that the penalty section of these two rules be redrafted to provide for a penalty of pro-rata restitution of the grant money received by the owner without any additional fine.

Proposed rules 58-50(i)(3) and (4) give the TLC Chairperson the right to refuse to approve a grant application. The rules do not provide the entity that is denied the grant with the opportunity to either contest the determination of the Chairperson or to have a hearing to address the Chairperson's concerns. In the interest of fairness, and to ensure that there is due process in the administration of the grant program, the entity that is denied a grant should have the opportunity for a hearing and impartial determination and/or review of the Chairperson's decision.

Thank you for the opportunity to comment on these proposed rules. We would be happy to answer any questions the Commission may have.

Respectfully submitted, Peter M. Mazer

MTBOT General Counsel

WRITTEN COMMENTS OF ALL TAXI MANAGEMENT TO NEW YORK CITY TAXI AND LIMOUSINE COMMISSION PROPOSED RULES RELATING TO TAXICAB IMPROVEMENT FUND

January 8, 2025

All Taxi Management Inc. (Lic # A0202) ("All Taxi") is a Taxicab Agent licensed by the New York City Taxi and Limousine Commission ("TLC"). All Taxi is one of the largest taxicab agents operating since 1988. All Taxi is proud to have been the first taxicab fleet to put on wheelchair accessible vehicles ("WAV") under a pilot program with the TLC in 2004. Additionally, All Taxi has been an early adopter of the DOV leasing model, which is essentially a Conditional Sale or Lease-to-Own Vehicle Agreement with a Medallion Lease from an owner or Agent. These are drivers that pursuant to TLC lease cap rules, pay off the equity of the vehicle, while simultaneously leasing the medallion. After the 3 or 4 year period, the driver has the right to ownership of the vehicle. The DOV leasing model is often a steppingstone to becoming a medallion owner.

The TLC proposals to ease the burden by increasing taxicab hack-ups is well intentioned but must be modified to protect owners and vehicles that have already been hacked up and allow for a DOV model to continue to be a part of the vibrant medallion ecosystem.

The current rules already provide enough incentive for both the owners and the drivers to place WAV vehicles on the road. This is especially true since the TLC already passed rules requiring only WAV vehicles. Our suggestion is to modify the proposed rules as followed, reduce the TIF grant from once every 7 years to once every 4 years and to reduce the 5 year pro-rata penalty and \$5,000 fine to 4 years with no fine. This would help protect the DOV leasing model.

COMMENTS:

 Existing Wheelchair Accessible Vehicles – The proposed Rules do not address what will happen to existing WAVs. For example, a WAV that was hacked up recently may have only received, a one-time hack-up payment of \$14,000 or 1-year hack-up + operational of \$18,000. Owners, Agents and DOV drivers relied on the TLC Rules and grants when purchasing vehicles and entering into contracts with drivers. Therefore, it is imperative that the TLC either (A) grandfather in the existing WAVs and continue to operational payments until at least \$35,000 has been received by the owner or (B) issue true-up payments to owners on existing WAVs to \$35,000.

If the TLC does not permit existing WAVs to be eligible for the grants that were provided under the TLC Rules it will be punitive and penalizing to those that were following the rules and helping the TLC and NYC to build an accessible fleet.

- 2. Taxicab Improvement Fund Driver Payment Removing the TIF driver payment will have a detrimental effect to driver income. Currently, the taxicab fare includes the following fees:
 - TIF \$1.00
 -) NYS Congestion Surcharge Fee \$2.50
 - MTA State Surcharge \$0.50
 - MTA Congestion Pricing Toll \$0.75 additional congestion pricing

While the fare to the passenger keeps increasing, the pay to the driver of a WAV vehicle is decreasing. We strongly recommend that the TLC find additional funding for the TIF Driver Payment. One way to do that would be to take the \$0.50 and apply that to the TIF Driver Payment instead of the MTA which is already receiving the fees from the existing congestion and new congestion fees. Another suggestion would be to increase the TIF payment to continue the driver payment.

- **3.** Elimination of the DOV model The DOV model is a stepping-stone for a driver to become a medallion owner, however, the rules as proposed by the TLC will eliminate DOVs from this industry. In a DOV model the vehicle is sold over approximately 3 to 4 years, but the rules state that the funds can only be received once every 7 years and clawed back before 5 years. This raises numerous concerns. First, if the vehicle is sold to the driver after 3 years and they receive title to the vehicle, the medallion owner and the agent should not be responsible for the claw back because it's the driver-vehicle owner that received the benefit of the funds. Second, by only issuing the TIF payment once every 7 years per medallion, when the agent must replace the vehicle he should be eligible for another grant. Therefore, the TLC should drop the once every 7 year requirement and the 5 year reimbursement.
- 4. Total Loss Vehicles Vehicles have accidents. Unfortunately, some of those accidents result in total loss. In this situation, under the proposed rules, if the vehicle is involved in a total loss not only will the owner have lost the car, but the owner may be responsible for paying to the TLC a prorated amount of the Hack Up payment, on top of having to purchase a new car, which they won't receive funds on because they already received once in 7 years. If this happens in year 6 or 7 the owner is better off placing the medallion into storage and waiting for the grant clock to reset before putting the medallion back on the road.
- **5.** Eliminate the 5-year reimbursement and 7-year on medallion. The TLC should keep the system in place that we have today where there is a larger upfront payment, followed by operational payments to the owner. The payout over the life of the vehicle lowers the TLCs upfront cost, allows the medallion owner to earn the funds over the life of the vehicle and eliminates the need for a 5-year reimbursement and once every 7 years. Similar to the existing rule, it should be on the VIN, and the hack-up payment should only be received once per VIN, but the operational payments should be permitted for up-to 7 years per VIN.
- 6. Devalued & Less Transferrable Asset By issuing these rules the TLC will create a devalued asset. Buyers and Agents will not be willing to purchase a vehicle for a medallion that is not eligible for the grant unless there is a significant discount. For example, XYZ owns a medallion that received the hack-up payment and passes away after year 5 of that vehicle's operation and

the estate decides to sell the medallion. What is the worth of a medallion that is not eligible for the grant. Our best guess under the proposed rules would be \$35,000 less than the price of the medallion. While this may solve a temporary problem for the TLC it will create a devalued and less transferrable asset in the future and create a new subclass of medallion (ex. grant eligible)

7. Re-Hacks – TLC must change the rules regarding re-hacks, especially for non-WAVs. Please see previous comments dated 10/7/2024. To be clear we are not advocating for any new non-WAVs to enter the medallion industry or for additional vehicle extensions. We are simply requesting that vehicles that have already been approved and are currently operating under the TLC Rules to be allowed to be "re-hacked" in limited circumstances. Any other new or used vehicles that are not currently hacked-up as a NYC taxicab have to be WAV. We have already experienced limited circumstances where owners have had to sell or been foreclosed on and the driver is a DOV has lost his entire investment and forced to purchase or lease a WAV.

From: To:	Downstate NY ADAPT tlcrules (TLC)
Cc:	Do, David (TLC); Torres, Yesenia (TLC)
Subject:	[EXTERNAL] Written Comments Filed In Response to the New York City Taxi and Limousine Commission"s Request for Testimony On The Proposal To Amend The TLC Rules To Improve Wheelchair Accessible Taxicab Service By Changing How The Taxi Improvement Fund I
Date:	Wednesday, January 8, 2025 5:00:22 PM
Attachments:	<u>1-8-2025 Final Submitted Comments to NYC TLC On Increasing Upfront Taxi Improvement Fund.pdf</u> <u>1-8-2025 Final Submitted Comments to NYC TLC On Increasing Upfront Taxi Improvement Fund.docx</u>

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Dear Commissioner Do;

The following disability organizations:

1-Bronx Living Independent Services, Inc. (BILS),

2-Brooklyn Center for Independence of the Disabled (BCID),

3-Center for Independence of the Disabled, New York (CIDNY),

4-Civics League for Disability Rights,

5-Disabled In Action of Metropolitan New York, Inc. (DIA),

6-Downstate New York ADAPT,

7-Greater New York Council of the Blind of the American Council of the Blind of New York State,

8-Harlem Independent Living Center, Inc. (HILC),

9-National Federation of the Blind, Vanguard Chapter of Greater New York,

10-One Heart, One Vision, and

11-Staten Island Center for Independent Living, Inc. (SICIL), submit the attached written comments, in PDF and Word format,

in response to the New York City Taxi and Limousine

Commission's request for testimony in response to the public hearing scheduled to be held on Thursday, January 9,

2025, regarding the proposal to amend the TLC rules to improve wheelchair accessible taxicab service by changing how the Taxi Improvement Fund is administered. We have filed these written comments, in PDF

format, at https://rules.cityofnewyork.us/rule/increasing-upfront-tif-payments/

If you have any questions or concerns, please do not hesitate to

contact us at telephone number 917-576-0225 or email us at <u>dnyadapt@gmail.com</u>.

Very respectfully, Kathleen Collins

From your Downstate NY ADAPT Co-coordinators Free Our People! Visit our website at: <u>www.DNYADAPT.com</u>



Downstate New York ADAPT Website: dnyadapt.com

January 8, 2025

Commissioner David Do New York City Taxi Limousine Commission Attention: Office of Legal Affairs 33 Beaver Street, 22nd Floor New York, New York 10004 Email address: <u>tlcrules@tlc.nyc.gov</u> Filed at: <u>www.nyc.gov/nycrules</u>

Re: New York City Taxi And Limousine Commission's (TLC'S) Proposal To Amend The TLC Rules To Improve to Wheelchair Accessible Taxicab Service By Changing How The Taxi Improvement Fund Is Administered

Dear Commissioner Do,

The undesigned disability organizations submit these comments in response to the New York City Taxi and Limousine Commission's request for comments regarding the TLC's proposal to amend the TLC rules to improve wheelchair accessible taxicab service by changing how the Taxi Improvement Fund is administered primarily by eliminating the maintenance payments to owners and the \$1 incentive payments to the drivers and increasing the grant payment for conversion from \$14,000 to \$35,000. We totally support that part of the proposed amendment that would increase the grant payment to an owner of a taxicab from \$14,000 to \$35,000 when such owner converts a taxicab to a wheelchair accessible vehicle ("WAV"). We urge the TLC to increase this grant payment so that more of the cost of converting a taxicab to a wheelchair accessible vehicle is covered.

Additionally, we urge the TLC to continue to provide \$1 incentive payments to the drivers for picking up passengers requesting a wheelchair accessible vehicle and to increase this incentive payment. In fact, we urge the TLC to not only increase this incentive to WAV drivers but we also respectfully submit that this incentive should be expanded to include all taxi drivers who pick up passengers with visible disabilities. It is well known in the disability community that many times people with visible disabilities, including those who use wheelchairs, are refused a ride by all taxis and not only wheelchair accessible vehicles. This experience is especially acute during rush/peak demand hours in the morning and evening and late at night when it seems there are no taxis in the city, and more specifically, no WAV taxicabs, for any passenger with a visible disability, including passengers who use wheelchairs.

Thus, it is our position that increasing the payment for conversions from \$14,000 to \$35,000 is a very good first start. However, we request that this proposal to amend the rule to eliminate the \$1 incentive payments should be omitted from the proposed rule since the elimination of this incentive will only be detrimental to passengers with disabilities. Further, according to the TLC's notice the definition for the Taxicab Improvement Fund will no longer include driver training nor the Accessible Vehicle Dispatch Program. This is a major concern to passengers with disabilities. We are concerned that after drivers receive more to convert their vehicles to be WAVs they will still continue to refuse to pick up passengers with disabilities. Moreover, with respect to those drivers that actually do pick up passengers with wheelchairs or who have other disabilities, they will continue to not know how to properly provide services such as how to properly secure a wheelchair or how to properly interact with a passenger with a disability, including, for example, assisting a passenger with a disability in entering the vehicle from the sidewalk and exiting the vehicle to the curbside. We commend the TLC in specifically setting forth specific duties taxicab drivers are required to perform in the TLC proposed regulations scheduled to be heard on Wednesday, January 22, 2025. However, there needs to be adequate funding for training drivers properly and for enforcement of these proposed regulations. In the existing proposed amendments, there seems to be no source of funding for such training and enforcement which is a significant issue that needs to be addressed immediately for these rules to have any real effect. In sum, it is great to require and incentivize taxi drivers to own a WAV taxicab, however, it is meaningless if the drivers do not pick up people with disabilities, including passengers who use wheelchairs, and properly secure the passenger and their wheelchairs.

With respect to the stopping of funding to the Accessible Vehicle Dispatch Program and replacing it, we will address this more fully in our comments on Accessible E-Hail scheduled to be held on Wednesday, January 22, 2025. However, we submit that many people with disabilities have stated that the current Accessible Vehicle Dispatch Program is vital because in many situations it is the last option available to get to an important appointment and/or home when all other accessible transportation fails. The old adage "If it ain't broke, don't fix it" applies here. We urge the TLC to continue, as is, the Accessible Vehicle Dispatch Program since this program works and provides a vital service to people with all types of disabilities during critical stress-filled times when everything else fails.

Please note the statement in the TLC's notice of public hearing and opportunity to comment on proposed rules that "As of October 2024, the number of accessible taxicabs increased to 3,992, or 41% of the taxi fleet, and this number will continue to increase until 50% of the taxi fleet is wheelchair accessible." does not seem to be totally correct. This increase in the fleet to 3,992 accessible taxicabs, assuming the number of overall privately owned medallion taxicabs continues to be 13,587, only increases wheelchair accessible taxicabs to approximately 29% and not 41% as stated in the notice. This error needs to be corrected.

Finally, we urge the New York City Taxi and Limousine Commission to require that all new for-hire vehicles be wheelchair accessible vehicles until passengers who use wheelchairs have 100% access to all New York City's forhire vehicles and not only 50% of the active medallion taxicabs. When 100% of all New York City for-hire vehicles are wheelchair accessible, everyone who needs a wheelchair accessible vehicle will be guaranteed to get a wheelchair accessible for-hire vehicle and this will allow all New Yorkers to travel throughout the five boroughs in New York City with ease.

Thank you for the opportunity to submit this testimony.

Very truly yours,

Downstate New York ADAPT

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CAUTION! EXTERNAL SENDER. Never click on links or open attachments if sender is unknown, and never provide user ID or password. If **suspicious**, report this email by hitting the **Phish Alert Button**. If the button is unavailable or you are on a mobile device, forward as an attachment to <u>phish@oti.nyc.gov</u>.

Thank you for providing this opportunity to comment on the proposed changes to TLC Rule 58-50(h) as it relates to payments made to Owners and Drivers under the TLC's Taxi Improvement Fund ("TIF").

I am writing in my capacity as the attorney for Queens Medallion Leasing, a TLC Licensed Agent under License #253. I have over 35 years of experience in the NYC Taxi Medallion industry, having represented Agents, Owners, Drivers and Lenders, and as such, I am very familiar with all facets of this complex industry. Under the proposed rule changes, the TLC would eliminate maintenance payments to medallion owners and the \$1 incentive payments to drivers. The grant payment for conversion to a Wheelchair Accessible Vehicle ("WAV") would be increased from \$14,000 to \$35,000. The TLC's rationale is that wheelchair accessible taxicab service would be improved by implementation of the proposed changes. However, when analyzing the true impact of the changes, it is clear that wheelchair accessible service will not be improved, and that all parties (Owners, Drivers, Agents and the riding public) will be negatively impacted by the proposed changes.

The elimination of the \$1.00 incentive payments to drivers will cause a significant loss of income to the driver. Using actual data, a driver averages approximately 1088 rides per quarter, resulting in incentive payments of \$1,088 per quarter/\$4,352 per year/\$21,760 for 5 years/\$30,464 for 7 years. In addition, Operational (Maintenance) payments are being made to drivers of Driver Owned Vehicles ("DOVs") by the Agent of approximately \$77 per week/\$4,004 per year. Under the proposed rules, all of these payments would be eliminated, with no corresponding replacement revenue source for the driver. Since the proposed rules will result in a significant loss of income for a driver of a WAV, the number of WAV drivers will likely decrease, resulting in a reduction in the availability of service to the public.

The proposed rule change increasing the "hack-up" payment from \$14,000 to \$35,000 is also counter-productive. The benefit will be shifted from the driver to the owner, with the assumption that the owner will share this increased payment with the driver. However, since the \$35,000 payment is available only once every

7 years, the owner will now be in a position where the incentive to replace a car prior to the 7 year period is greatly reduced. This problem is exacerbated in the case of DOVs who own and operate WAVs. DOVs often need to replace their vehicles well before 7 years, but will be unable to afford to do so without the \$35,000 payment. As a result, fewer WAVs will be on the road, resulting in a decrease in WAV service.

The proposed changes fail to address the following issues, all of which are critical to the Owners, Drivers and Agents:

What happens to the TIF Operational Payments for cars currently operating that have not yet reached \$16,000 in payments?

When less than 7 years have passed since the last WAV hack-p and a new WAV is purchased, will it still be eligible for a hack-up payment when it reaches 7 years? (Ex: Car 1 is hacked up in 2024, and receives a 2024 payment. New car is hacked up in 2028. Must the Owner wait until 2031 for a hack-up payment)? What happens with hack-up payments which are now pending? Will they be increased to \$35,000?

For the reasons set forth above and the critical issues that are not adequately addressed in the proposed rule changes, I respectfully request that the TLC does not approve the rule changes.

Please contact me if you require any additional information.

Mitchell Reiver Attorney At Law 9 Homestead Path Huntington, New York 11743 Tel: (516) 429-9113 E-mail: mitch@reiverlaw.com

January 9, 2025

Taxi & Limousine Commission Office of Legal Affairs 33 Beaver Street-22nd floor New York, NY 10004

PUBLIC COMMENTS OF BIG APPLE TAXI MANAGEMENT SUBMITTED TO THE NYC TAXI & LIMOUSINE COMMISSION REGARDING PROPOSED RULE CHANGES TO THE TLC TAXICAB IMPROVEMENT FUND

To the Office of Legal Affairs:

I am counsel to Big Apple Taxi Management. We submit these comments with reference to the proposed regulations concerning proposed Taxicab Improvement Fund. Several rule changes have been proposed by the TLC in furtherance of its ongoing goal of complying with both their previous settlement agreement and the more recent order of the court, more specifically, converting 50% of the taxi fleet into wheelchair accessible vehicles. While Big Apple understands the TLC's aims, and agrees and supports the goal of increased accessible service, we believe that there are several practical concerns that must be addressed in these rule changes.

We have highlighted some of our comments below which are then more fully set forth in the body of this letter.

• Existing WAVs that received a \$14,000 hack up payment and are currently receiving TIF operational payments should continue to receive such payments under the current rules.

• The 7 year limit on the grant should be eliminated or reduced to preserve the DOV model of medallion and vehicle leasing.

• Exceptions should be made for circumstances leading to the vehicle having to be replaced or sidelined that are out of the vehicle or medallion owners control, such as total loss of the vehicle from accidents, maintenance or parts issues or foreclosure of a medallion by a secured lender.

• With expenses rising from insurance issues and increased vehicle maintenance costs and trips still not having fully recovered, TLC should continue the driver payments to help protect driver income.

Existing WAVs

Under the current rules, WAVs were given \$14,000 at time of hack up, and could expect to continue receiving operational payments each quarter until such time as they hit the \$35,000 maximum. While the proposed rules allow new WAVs to access this capital right away, it is unclear what will happen to those WAVs who have not yet hit the \$35,000 under the current rules. TLC must continue these payments until such time as the existing WAVs reach the \$35,000, allowing those owners who followed the rules to take advantage of the full grant. Not doing so would only serve to punish these rule abiding owners, and create an unfair disparity without any kind of justification. Those that placed WAVs on the road under the current rules in furtherance of the TLC's accessibility goals should not be punished by these rules changes.

The DOV Model

The DOV is nothing short of an entrepreneurial opportunity for today's taxi drivers. It allows them to work, earn, take care of their families and build equity towards owning their own vehicle. These agreements generally allow for the purchase of the vehicle while the driver works over a period of 3 or 4 years. The proposed rules would cause the claw back provision to be triggered at the time that the DOV vehicle is transferred to the driver, forcing the agent or medallion owner to pay the difference, even though the DOV owner is now reaping the benefit of the full grant amount. This claw back should not be applied in these instances, or we risk the loss of this important opportunity for drivers.

Exceptions Arising from Unexpected Loss of the Vehicle

Vehicles can be totally lost as the result of accidents or can be sidelined as the result of poor vehicle models or unavailability of parts. This results in the medallion having to be removed from the vehicle, through no fault of the agent. In these unfortunate scenarios, the owner would have to pay back the clawed back amounts, as well has having to pay for a new WAV while not being eligible for a new grant payment. Exceptions should be made for these situations, and the owner should not be required to pay the claw back amounts.

Driver Payments

Elimination of the driver payments threatens to significantly damage driver income during a time when expenses are expected to potentially rise significantly, and trip volumes have still not fully recovered in the wake of the pandemic. We urge the TLC, MTA, New York State and other stakeholders to find additional funding to subsidize the driver payments and protect these individuals well being. Re-purposing the \$.50 MTA fee to help account for these needed funds.

We urge the Commission to re-write these regulations to account for the challenges and questions presented herein. Thank you for your time and attention to our comments and concerns. We look forward to continuing to work together to arrive at the best result.

Very truly yours,

Robert Bedford General Counsel



January 9, 2025

Chair David Do New York City Taxi & Limousine Commission 33 Beaver Street New York, NY 10004

NYTWA Comments on Proposed Changes to TIF

Dear Chair Do,

The Taxi and Limousine Commission's ("TLC") proposed rules to increase the Taxicab Improvement Fund ("TIF") hack-up payment is a needed, if incomplete, intervention to support medallion owner-drivers struggling to meet accessibility requirements while under immense financial pressure. However, while NYTWA supports an increase in the TIF hack-up payment, the TLC must do more to find alternative funds to supplement TIF so the operations grants, driver payments and dispatch program are not sacrificed. The strategies used in the proposed rules that seem to be intended to limit and offset expenditures, like clawing back the grants, onerous application requirements, and restricting the grant to one per medallion over a sevenyear period, will not solve TIF's insolvency; they are punitive measures that will serve only to punish drivers. Instead, in addition to making the rule changes below, the TLC must work to find other solutions to finance the conversion to accessible vehicles.

<u>In addition to revising the proposed rule package, the TLC must work with NYTWA to</u> identify and develop other funding streams for TIF and additional cost-saving strategies.

NYTWA has had a long commitment to creating an accessible fleet; today, NYTWA is working on a comprehensive financial support program to alleviate the burden on TIF, and to provide owners with financial support beyond what they currently and historically have received from TIF.

NYTWA appreciates the work that the TLC has done so far to assist NYTWA and the Disability Opportunity Fund, a community development financial institution, in establishing low-cost, zero interest loans for drivers purchasing WAVs. In addition, TLC must work with the City and State to identify and allocate additional funding streams, such as issuing City bonds or redirecting the 50 cent MTA State Surcharge collected on all taxi trips towards funding the accessibility mandate. In addition, the TLC must explore other cost-saving measures, such as eliminating sales tax on vehicles purchased to use as for-hire WAVs. To be successful in this work to create a comprehensive and equitable solution to the accessibility crisis, NYTWA needs the TLC's assistance and support.

In the meantime, the TLC must revise the rules to ensure that *all* drivers receive the financial

support they need. To do so, the TLC must:

- Maintain operations grants for medallion owners who currently operate WAVs, until their current vehicle is no longer in operation, as they will not receive the benefit of the increased hack-up payment.
- Remove the proposed restriction to limit TIF grants to once every seven years per medallion.
- Keep the minimum period a driver needs to keep a WAV in operation at four years, as initially proposed, instead of increasing it to five.
- Make TIF payments automatic to all medallion operators; remove the application process and allow owners to receive the grant prior to hack-up, including allowing owners to request payment directly to a dealer.
- Supplement the fund with other City and State monies to keep \$1 per trip payments for all WAV drivers and to keep operations grants for vehicles that have been in operation for longer than five years.

<u>Many owner-drivers are in a precarious financial position because of the back-to-back</u> <u>crises they have suffered over the last decade.</u>

NYTWA fully supports the goal of making the taxicab fleet accessible for people with disabilities and appreciates the TLC's intent to modify TIF to create more initial support for medallion owners who are suddenly subject to an increase in costs that nearly doubles the cost of purchasing a new car.

For the past decade, medallion owner-drivers have been dragged from one crisis to another, from the medallion debt crisis to the oversaturation caused by the failure to regulate apps like Uber and Lyft to the Covid-19 pandemic. Now, owner-drivers are forced to weather yet another crisis: the transition to an accessible fleet is a costly one, and drivers are bearing the brunt of this increased expense in a market that was devastated by the pandemic; individual yellow cabs are only performing approximately 73% of the trips they did pre-pandemic, and 35% of the trips done in March 2014, the year in which the settlement agreement that led to the accessibility mandate was initially signed.¹

The transition to an accessible fleet does not need to come at the cost of the financial stability of owner-drivers or indeed, the ability of owner-drivers to continue working in the industry. These years of crisis have left medallion owner-drivers with little breathing room. In a recent survey of NYTWA members who drive yellow cabs, 87% reported having debt, not including debt from their medallion mortgages or residential mortgages. Unsurprisingly, most owner-drivers have been unable to save for the additional costs of a WAV and thus do not have the financial resources to immediately convert to a WAV; 84% of respondents report that they do not have enough saved to pay for a down payment of between \$10,000 and \$20,000. If they are required to convert to a WAV right now, without receiving additional financial support, 24% of respondents report that they will be forced to declare bankruptcy, meaning they would likely have to leave the industry.

<u>The current proposed rules represent an overall decrease in the amount of TIF benefits</u> <u>owner-drivers will receive over the lifetime of a vehicle.</u>

¹ See Taxi and Ridehailing Usage in New York City, available at <u>https://toddwschneider.com/dashboards/nyc-taxi-ridehailing-uber-lyft-data/</u> (compare 404 monthly trips per vehicle in October 2024 to 552 trips in February 2020, and 1,148 monthly trips in March 2014—when the settlement agreement leading to the accessibility mandate was signed).

While the increase in hack-up payments to \$35,000 will help with the initial cost of purchasing a vehicle, it does not meaningfully alter the long-term financial dynamics of operating a WAV. In fact, it represents an overall decrease in the amount of benefits an individual owner-driver will see from the TIF fund. Currently, owner-drivers will receive a \$14,000 hack up grant, \$1,000 quarterly operational grants, and per-trip payments; if one assumes the lifetime of a vehicle is seven years, a driver could receive \$42,000 from the hack up grant and quarterly maintenance grants alone. The proposed rules thus represent a \$7,000 *reduction* in TIF benefits expected over the lifetime of a vehicle, even without accounting for decreased revenue from the per-trip TIF payments. Meanwhile, drivers estimate that the elimination of the per-trip driver payments will cause their take-home page to decrease an additional \$3,000 - \$4,000 annually.

The TLC itself has acknowledged that operating a WAV is more expensive than a non-WAV, as WAVs are less fuel-efficient due to the added weight of the wheelchair ramp, meaning ownerdrivers spend more every shift on gas than non-WAV drivers.² Maintenance and repair costs are also higher for WAVs.³ The operational and per-trip payments previously defrayed these costs. Yet even as historically high rates of inflation have impacted transportation costs—which increased 33.5% between 2020 to 2023 alone⁴—the TLC is proposing to remove the operational grants and per trip payments, instead of increasing them to account for the ongoing impact of inflation.

The TLC must make changes to the proposed rules to ensure they are equitable.

The TLC, City and State must ensure that drivers are not pushed into poverty by the accessibility mandate; the sufficiency of TIF funds is even more important now that all vehicles that are hacked-up must be WAVs, and drivers no longer have seven years of operating lower-cost vehicles to save for the increased cost of WAVs. Accordingly, the proposed rules must accommodate drivers' economic realities. To achieve this, the TLC must make the following changes to the rule package:

- The TLC must not repeal the quarterly operational grants and per-trip driver payments.
 - The TLC must maintain maintenance grants for medallion owners who currently have a WAV in operation for the whole life of the vehicle; these owners will not see the benefit of the increased hack-up grant, and reducing other benefits while also limiting their ability to get the increased hack-up grant due to the proposed seven-year restriction on TIF grants, may lead drivers to retiring early or otherwise exiting the industry. To sustain the operational funding, the TLC could reduce hack-up payments to \$30,000 while other revenue sources for sustaining TIF, outside of the TIF trip surcharge, are explored. The TLC could also explore reducing hack-up grants for already retrofitted used vehicles that are newly hacked up. At minimum, the TLC should reserve the sections outlining the maintenance grants and per-trip payments so they may be reinstated when alternative funding is acquired.
 - If the TLC moves ahead with repealing the per-trip payment, the TLC must reduce lease caps to account for the fact that the TLC is taking financial benefits that used to go directly to drivers and now allocating them to fleets. Lease drivers will be left in a worse financial position if the lease caps remain the same and they

² See Taxicab and Street Hail Livery Improvement Funds Report to City Council 2022 (revised and submitted March 4, 2024) at 3.

 $^{^{3}}$ Id.

⁴ See CPI-W Private Transportation Index for the NY-NJ-PA area (showing an increase of 33.5% in private transportation costs, from the 2020 average of 210.520 to the 2023 average of 280.968).

no longer receive the per-trip payments; this is an unacceptable and irrational outcome, and will disincentivize lease drivers from continuing to drive yellow cabs.

- As was noted by several speakers in the hearing, the TLC must not alter the dispatch program in a way that would limit access for people with disabilities, which would serve to undermine the purpose of the accessibility mandate while also cutting ridership for drivers.
- Medallion owners should not have to apply to receive TIF subsidies. *See* Proposed Addition § 58-50(i)(1). Because the conversion to an accessible vehicle is mandated, all drivers hacking-up a wheelchair accessible vehicle must be presumed eligible for financial support; there is no rational reason to justify the addition of an application.
 - Should the TLC decide to use the application process despite the lack of a rational relationship to the stated purposes of TIF, no applications should be denied. *See* Proposed Addition § 58-50(i)(3). No medallion owner should be denied life-saving financial support because of a delay in submitting paperwork. *See* Proposed Addition § 58-50(i)(3)(i); 58-50(i)(1)(i)(a). Similarly, all drivers—regardless of their criminal background or violation history—are subject to the accessibility mandates. Drivers should not be arbitrarily punished for past actions unrelated to the conversion of their car and for which they likely have already suffered consequences. *See* Proposed Addition § 58-50(i)(3)(ii). Drivers must not be punished for omissions or mistakes made when preparing the application. *See* Proposed Addition § 58-50(i)(3)(iii). Instead, they should be given an opportunity to correct them. Similarly, given that the TIF funding is tied to the medallion and vehicle, respectively, the identity of any medallion owner or any party who has financial stakes in the medallion is irrelevant, and should not impact eligibility for the TIF. *See* Proposed Addition § 58-50(i)(3)(iv).
- The medallion owner should not be required to put a vehicle into service prior to receiving the grant. *See* Proposed Addition §58-50(i)(1)(ii). As previously proposed in the May 8th, 2024 rule package, hack-up payments should be made available prior to putting a vehicle into service. The medallion owner must be provided 90 days, not 60 days as was proposed, to hack-up the accessible vehicle after the hack-up payment is received. *See* Proposed Addition May 8th, 2024, § 58-50(j)(1)(iii). This will allow the driver time to have the retrofitting done. In addition, the TLC must create a process to apply for an extension if the driver is experiencing a hardship or is subject to a delay due to circumstances beyond their control, such as the unavailability of a necessary part.
- The TLC must not implement the proposed limitation of only allowing a TIF grant once every seven years per medallion. *See* Proposed Addition § 58-50(i)(1)(iii).
 - This limitation will have several unintended consequences: first, a small minority of medallion owners may require a new vehicle prior to seven years. This could include drivers who need to replace their vehicle because they were unable to afford full-coverage insurance and were not required to maintain it by the lender for their car loan, or those who have a significant mechanical issue that is not covered by insurance. Second, such a limitation would hamper sales of medallions where the WAV had not yet been in service for seven years. This could decrease medallion value, and lead to medallion owners defaulting on any remaining medallion loan instead of attempting to pay off the balance with a sale.
- The TLC should not increase the years a WAV must be kept in service to five years, from the initial proposal of four years. *Compare* Proposed Addition May 8, 2024 § 58-50(j)(4)(ii) to Proposed Addition § 58-50(i)(5)(iii). Further, medallion owners who cannot keep their vehicle on the road due to an accident, loss of medallion, illness or

other hardship, or retirement and surviving family members or the estate should be exempt from the service requirement. *See* Proposed Addition § 58-50(i)(5)(iii). The TLC should additionally not demand repayment of funds from drivers who are unable to keep their cars in service due to these reasons.

- The TLC should not require restitution if the vehicle is not in service for the required period of time. See Propose Addition §58-50(i)(6)(i). There is no incentive for drivers to receive the hack-up grant and then take the vehicle out of service while continuing to use the vehicle as a personal vehicle; the majority of drivers would have no personal need for the wheelchair ramp and would remove it, given that the ramp causes significant wear and tear on the vehicle. However, there *are* a number of legitimate reasons why a driver would not keep a vehicle in service for the full period of time: if the driver was ill and unable to work, passed away, was seeking to retire, or needed to leave the industry because they were no longer making enough money to survive. Instead of requiring drivers, many of whom are already in precarious financial situations and struggling to make ends meet, pay back grants that they already spent on the purchase of the car, the TLC should seek to disincentivize drivers from manipulating the system by instead requiring that, if a vehicle was not kept in service for the appropriate amount of time, the driver must submit an explanation of why this was the case; if it was not due to a reasonable cause, including but not limited to those previously listed, the driver could be prevented from receiving another TIF grant until the full service period has passed.
 - The TLC must allow drivers more time to comply with an order from the Commission to repair or replace the Accessible Vehicle. *See* Proposed Addition § 58-50(i)(6)(iii). There will be many instances where a driver is unable to comply within ten days, whether it is due to financial constraints or lack of availability of the parts required for repair. The TLC must accommodate this reality.

NYTWA looks forward to working in partnership with the TLC to build towards a fleet that supports both economic and disability justice, by being both accessible for people with disabilities and affordable for owner-drivers to operate and maintain. Thank you for your time and consideration of this matter.

Respectfully Submitted:

Bhairair Dezai

Bhairavi Desai, Executive Director New York Taxi Workers Alliance