

Testimony of Aloysee Heredia Jarmoszuk
New York City Taxi & Limousine Commissioner and Chair
Jointly Before the City Council Committees on Transportation and Finance
PRELIMINARY BUDGET FOR FISCAL YEAR 2022
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Introduction

Good afternoon, Chair Rodriguez, and members of the Transportation and Finance Committees. I am Aloysee Heredia Jarmoszuk, Commissioner and Chair of the New York City Taxi and Limousine Commission. Thank you for inviting me to attend today's hearing and preview the TLC's Fiscal Year 2022 Preliminary Budget. With me is TLC's Assistant Commissioner for Finance and Operations, Vincent Chin.

One year ago today, TLC's preliminary budget hearing was the last time I was able to meet in person with the members of this committee, before many New Yorkers started working from home as a public safety measure. COVID-19 affected TLC-licensed drivers, vehicle owners, and businesses in many ways and these impacts will continue to be felt in 2021. We have been terribly saddened to learn of many Licensees who lost their lives, or who have lost family and friends during the pandemic. Many TLC staff understand this pain all too well, having also lost family and friends, including our colleagues David Lui and Mukul Shukla from our Licensing Division.

Since then, the TLC has been focused, like all other City agencies, on our response to COVID-19 – supporting our Licensees by keeping agency operations running and connecting them with opportunities for income and relief, while supporting the City's relief efforts.

In the spring, the TLC adapted to the crisis with remote work, flexible scheduling and social distancing to remain fully operational and maintain critical agency services, such as licensing and inspections. Staff from TLC's licensing and vehicle inspection facilities continued to serve licensees throughout the worst of the pandemic, with over 100,000 vehicles inspected and over 105,000 license applications processed since March 1. TLC has worked hard to keep operations running smoothly not only as a matter of public safety, but also to support our licensees as they have tried to continue operations during this unprecedented economic downturn, which has significantly reduced passenger demand.

As part of this support, TLC has focused on providing emergency work opportunities for our licensees, including the GetFoodNYC program that enabled TLC-licensed drivers to deliver millions of meals to homebound and immunocompromised New Yorkers. The program was a vital part of the City's effort to address food insecurity that was made worse by COVID, as not only income but also traditional food distribution networks were disrupted. Through October 2020, nearly 10,000 TLC-licensed drivers earned a total of \$40 million dollars delivering millions of meals to homebound New Yorkers. This program involved redeployment of TLC staff from every division, who staffed food sites, loaded meals into vehicles, signed up Licensees, and coordinated payment. Our Enforcement officers were a key part of this effort as they continued to serve the City in new ways – not only working food distribution sites but also assisting the Sheriff's Office with business inspections and staffing checkpoints.

Our outreach and communications to licensees and the public have been robust, and we have shared key information with licensees about Local, State, and Federal programs and

resources, as well as health information about COVID-19 and public health updates related to masks, COVID testing, and now, vaccines. We have hosted COVID testing events in 4 boroughs – with our Manhattan event scheduled for later this month. I am grateful that TLC licensees are now eligible for COVID vaccination and have been so for several weeks now. TLC staff are working hard to connect licensees with vaccine appointments, and I encourage any licensee who is interested to sign up for a vaccine. COVID-19 is still very real, and we remain focused on health and safety. We plan to remain focused on our COVID response for as long as it is needed.

During the pandemic, we also launched the TLC Driver Resource Center remotely, which has served over 800 drivers and over 500 medallion owners. At the Driver Resource Center, TLC licensees can receive financial counseling, legal assistance, public benefit assistance, and answers to questions about their license or TLC rules. The Driver Resource Center has helped over 800 licensees apply for Payroll Protection Program and Economic Injury Disaster loans, unemployment, cash assistance, emergency rent relief, SNAP benefits and Medicaid. Over 500 licensees have received help to restructure medallion loans, and the Driver Resource Center has helped 45 licensees apply for PPP loans. In total, TLC helped guide our licensees to potentially \$1.4 billion dollars in support through federal, state, and local assistance programs. I strongly encourage all licensees to schedule an appointment with the Driver Resource Center through the TLC website, or by calling 311 and asking for the TLC Driver Resource Center. We are excited about this important resource, and I welcome any Council Member here today to join me for a virtual tour of our offerings at the Driver Resource Center. We look forward to opening the Driver Resource Center in person as soon as it is safe to do so.

We have continued to innovate new programs for licensees. In December we launched a new program called DriveNYCTaxi, which connects yellow and green taxi owners with drivers interested in leasing their vehicles. This program is one component of our larger work to modernize and spur innovation in the yellow and green taxi industry, and we look forward to marketing this service to drivers and owners extensively in 2021.

As our City has begun to reopen, it is important to stress that TLC-licensed drivers have adhered to COVID-19 protections, including mask wearing, social distancing, cleaning of high-touch areas in vehicles, and opening windows or otherwise ventilation of vehicles in use. To educate the public about these efforts, the TLC launched a public service announcement campaign on Link NYC kiosks and social media. We hope that campaign is helping to educate the riding public about safety measures in TLC-licensed vehicles, but also remind them of the hard work and efforts of TLC-licensed drivers.

Moreover, TLC has continued a key source of income for owners and drivers of accessible vehicles. In 2020, over \$20 million in Taxi Improvement Funds were provided to owners and drivers of wheelchair accessible taxis in 2020. We look forward to the continued success of this program, serving TLC licensees as well as the community of passengers that use wheelchairs. Our Accessible Dispatch program offers trips in yellow and green wheelchair accessible taxis, and we are grateful for the drivers who have offered this crucial service throughout the pandemic.

Budget Overview

Now I would like to preview the TLC's Preliminary Budget for Fiscal Year 2022, which is \$54.6 million, broken down into \$41.6 million in personal services (PS), and \$13 million in other than personal services (OTPS). This budget reflects the ongoing challenge we face as we set our sights on recovering from the COVID-19 pandemic. TLC will of course maintain its daily operations as we have throughout the entire pandemic. But some critical goals set forth in prior years, such as recruiting new enforcement cadets, will be delayed. Citywide limitations on hiring will also delay our ability to backfill positions that have become vacant.

Last year I explained that TLC's budget had remained flat since the arrival of the apps, while at the same time the number of vehicles on the road more than doubled. Currently the TLC's authorized headcount is 578, which is lower than it was in 2014 when the apps began operating at scale. As the industry moves forward toward recovery, TLC will need more headcount and funding to address the struggles of our drivers face, and to deliver on the City's commitments to help stabilize the industry.

On the revenue side, TLC's budget is projected to be \$56.5 million in Fiscal Year 2022. During the pandemic we have seen revenue collection remain stable for Licensing as TLC worked hard to ensure licensees could stay on the road or return to work as quickly as possible if they took a break. Revenue from inspections and enforcement has been lower than normal as a direct result of the pandemic. Many vehicles were not active during various points of the pandemic leading to less inspection revenue, and TLC enforcement efforts were significantly adjusted to assist in several COVID-19 related emergency response operations, as reported in the

Mayor's Management Report for Fiscal Year 2021. In Fiscal Year 2022 we will continue to monitor revenue collections, and work with OMB to make any adjustments as needed.

Looking Forward

I would also like to touch on some of our priorities going forward.

This was my first year as Commissioner and Chair of TLC, and despite unprecedented economic disruption, I am proud of what the Agency was able to accomplish for its Licensees and how, throughout this time, the TLC has critically examined the future of the industry and begun to better align agency services and structure with the realities of the marketplace. In 2021, TLC is actively planning to transition into a post-COVID world. While we remain dedicated to public health outreach and support, we also remain engaged with the drivers, owners, and businesses that we license. I have been impressed and heartened to see the Industry and our staff work together to overcome many challenges, and I know this resilient industry and team of passionate civil servants will accomplish great things in the coming year.

I have been speaking with licensees daily for the past year, and I am very excited that TLC has developed new forums for our licensees to interact with our staff. One of these new forums is the Base Round Table, a virtual round table discussion with car service bases – a forum where TLC Enforcement, Prosecution, and Licensing divisions can interact with bases in an approachable way to solve issues that they face. Our first roundtable discussion took place last week, focused on bases in Brooklyn, and we are scheduling more events for all the other boroughs. I have also convened a Taxi Working Group, which has begun developing a strategic

plan for the yellow and green taxi industry. This group is focusing on several issues, including improving the passenger and driver experience, supporting innovation in technology and critically reviewing TLC regulations and policies to ensure innovation can thrive. I look forward to continued engagement with licensees, including with the upcoming Livery and Black Car Task Force, which we hope will produce effective recommendations for these two sectors vital to many communities throughout NYC.

All of you know that the complicated issues of medallion debt have been compounded by COVID-19. This has been an issue of extreme importance for the Mayor and for TLC, and I know it has been for the City Council. This is why I am excited to stand with the Mayor to announce the creation of a new Taxi Medallion Owner Relief Fund. While some details are still being developed, the new Fund will offer real relief to medallion owners who have been most impacted by unsound lending practices, increased competition, and the economic pressures of the pandemic.

The Fund will offer a long term, zero interest loan of \$20,000 to eligible medallion owners to use as a down payment on paying down and restructuring their medallion debt. This restructuring will have a multiplier effect in the hundreds of millions of dollars in debt write-downs.

Additionally, the Fund will make available funding of up to \$1500 per month to make medallion loan payments for as many as six months I have heard too often from medallion owners that during COVID they have had to choose between paying medallion debt and paying for the basic necessities for their families. We want to provide relief as quickly as possible, not only to help

with their expenses and also to restructure and reduce the amount of debt they face. We will couple this with intensified work by the Driver Resource Center, and I encourage all owners to contact the DRC as soon as possible to learn about available benefits, including the federal PPP loans. The application period for those PPP loans will close March 31, so it is urgent to apply – these low interest loans are another way to help manage immediate expenses and restructure debt.

We have formulated this plan with three guiding principles: 1) it must provide financial relief for medallion owners, 2) it must have the participation of lenders to succeed, and 3) it must not undermine the value of the medallion or the industry at large. For this reason, we did not think it was the right course to support a plan that requires loan reduction down to a fixed amount. As public officials, we have to very careful about unintended negative impacts on the industry, and we need a plan that is both effective and sustainable.

I am excited about the new fund, which represents a new day for so many medallion owners who struggle with the burden of debt. It is especially important now, as we begin to envision a reopened City, that we support the industry so that it can be in place and operating as the economy re-opens and passenger demand continues to increase.

As you can see, while it has been a challenging year, there is no doubt that all participants in this industry stepped up to the challenge – by feeding New Yorkers, transporting essential workers, and innovating in a variety of ways. Thank you for the opportunity to speak about TLC’s work over the past year. I will now take your questions.

