

Testimony of Meera Joshi
Commissioner and Chair, New York City Taxi & Limousine Commission
Intro Nos. 1646
City Council Transportation Committee
June 22, 2017

Good morning Chair Rodriguez, and members of the Transportation Committee. I am Meera Joshi, Commissioner and Chair of the New York City Taxi and Limousine Commission. Thank you for the opportunity to share the TLC's views on Intro 1646.

This legislation would require black car and luxury limousine bases that dispatch vehicles through an app to provide a tipping option for passengers through one of the methods of payment that passengers use to pay the fare. Such services would be required to inform passengers of the gratuity option and make drivers aware that they have received a tip as soon as practicable. Finally, Intro 1646 would subject people who violate the law to a fine of \$200-500 and require TLC to promulgate rules as may be necessary.

Chair Rodriguez and TLC have worked hard to protect our licensed drivers and their income, and TLC supports the stated goal of this legislation, which is to expand drivers' ability to access their hard-earned tips. As you know, just this week Uber announced that it will implement an in-app tipping option nationwide, and we should all be gratified to see the industry embrace the City's policy initiative.

I am concerned, however, that the proposed legislation excludes certain types of drivers and does not require that a tip be directly and fully transmitted to deserving drivers. Like the Council, we believe that drivers should be able to easily access the money they earn, and the TLC announced on April 7, 2017 that we would propose a rule requiring for-hire vehicle bases to offer passengers the option of tipping drivers through the same means that they pay fares. This

means that if a passenger can pay the fare through an app, the base would be required to allow the passenger to tip through the app. TLC's proposed rule would apply industry-wide and includes a clear requirement that all tips, including those received via app, must be transmitted directly to the drivers. Our proposed rule has been noticed for a public hearing on July 13, 2017. While the proposed TLC rule is similar to Intro 1646, we believe that our proposed rule is an effective way to more expansively benefit hard working drivers.

TLC's primary concern about Intro 1646 as drafted is that it would regulate bases in a non-uniform manner, with exclusions that would prevent certain drivers from receiving the income they have earned. We believe all drivers are equally deserving of income protection. Currently, Intro 1646 includes black car and luxury limousine bases, but it does not include livery bases. The reason for this exclusion is unclear to us, as several livery bases—including the one livery base operated by Uber—use apps for passenger booking and payment. Under Intro 1646, those livery drivers would not be able to receive tips via app. Similarly, the bill excludes drivers who perform line-work by pre-arrangement, the definition of which could be read to include airport pick-ups. And finally, TLC believes Section 19-547 (b) of the proposed legislation would allow a black car base that occasionally accepts cash payments to continue to require tipping in cash, even if some or most of its trips are dispatched and paid for via app. This language could potentially exclude an additional category of drivers.

Today, because more and more people are booking rides and paying fares through apps, and fewer people carry cash, a cash-only option for tips deprives app-dispatched drivers of potential income. As such, TLC's second major concern is that Intro 1646 requires that "Drivers shall be made aware of any gratuity received by any passenger-facing booking tool as soon as possible," but does not require that drivers who are tipped through an app receive those tips

directly and in a timely manner. Furthermore, as written, the legislation does not prevent the Base from taking deductions from the tip before giving it to the driver nor does it require that the full tip is transmitted directly to the driver. TLC strongly believes that all app-dispatched drivers should be able to receive a tip via app, and that they should receive the tip they have earned quickly, fully and directly. As such, our proposed rule would require the base to give the “entirety” of any tip to drivers directly, free from any deductions made by the base.

TLC supports requiring all bases who use apps to let their passengers tip via app. However, for the reasons I have just provided, we are confident that TLC’s already-noticed rule will accomplish this goal more effectively than Intro 1646. Our rule will protect all drivers in a uniform and effective manner, creating more income opportunities for more drivers. Thank you for the opportunity to testify on Intro 1646 today, and will answer any questions you may have after DOT’s testimony.