Joint Legislative Public Hearing on 2018-2019 Executive Budget Proposal
Transportation
January 25, 2018

Testimony by David Beier President of the Committee for Taxi Safety

Good Morning,

Chairwoman Weinstein
Chairwoman Young
Assembly Transportation Chair Gantt
Senate Transportation Chair Robach

Thank you for the opportunity to present testimony on the FIX NYC report to be considered in the Governor’s proposed Executive Budget.

I am here to speak about the congestion pricing proposal and the unintended negative impacts it will have on an already distressed industry and all New Yorkers.

Taxis are already a distressed industry. Medallion prices have plummeted from more than a million dollars each to less than $200,000, leaving many owners of medallions on the verge of bankruptcy due to loans secured by medallions for which the loan balances now far exceed the value of the medallions which secures those loans. Not only are medallion owners at risk, but three credit unions with concentrations of loans in the medallion industry have now failed being placed into receivership by the government. This has come about due to government inaction in protecting the license rights purchased from the government. That notwithstanding, it is the taxi industry that has been supporting the MTA all along by providing MTA tax revenue from each ride in a yellow cab. No other for hire segment has similarly contributed to the MTA.

The taxi industry has already paid a very costly license fee for the right to pick up on the streets of Manhattan. It is a license we purchased from the government and one that should at the
very least be recognized if not protected. This license we paid was not imposed upon Uber, Lyft, or other black cars. Therefore, the congestion pricing surcharge should be imposed not on us, as we already paid for this right at all times, but on the ride share, black and livery cars who have had no license fee or additional operating costs imposed upon them to be able to pick up on the streets of Manhattan.

Moreover, this congestion pricing plan will do more to generate revenue than to ease congestion. This new surcharge will be passed on to the public in the form of higher costs for fruits, vegetables, goods, and for hire rides. It’s a pass on tax that will have unintended consequences on consumers. A different approach to ease congestion would be to ban truck deliveries during the day, and/or cap the number of Ubers and Lyfts on the road at any given time. It is common knowledge that congestion has increased in large part due to the additional 100,000 cars on the roads due to Uber and Lyft.

The proposed congestion pricing plan is purely a revenue plan that will hurt the everyday consumer, working class citizens, and tourists visiting New York City. At a time when the cost of living is at an all-time high, and New Yorkers are struggling to make ends meet, we should be doing what we can to protect the working person, and not adding more expense to their day to day activities. There are other and better ways to control congestion and raise revenue that won’t hurt the working class. One way to raise revenue would be to impose a tax on gasoline. We have seen in the past that drivers are willing to drive their cars even when gas is as high as $5.00 a gallon. Under this method, consumers won’t be unintentionally targeted, there will be parity across all industries and there would substantial revenue provided to the MTA. Additionally with the impending rollout of electric charging stations across the state and throughout NYC, a nominal tax on these stations will also generate enormous revenue and result in the least economic impact.

We hope that you will take these suggestions into consideration when making decisions that will have lasting effects on an entire industry and on all residents and visitors to New York City.

Thank you.

David Beier
President, Committee for Taxi Safety