TESTIMONY - BERJ HAROUTUNIAN – BLACK CAR ASSISTANCE CORP. (BCAC)

My name is Berj Haroutunian and I am the President of the Black Car Assistance Corp. or BCAC. The BCAC is the largest and oldest black car and limo operator trade organization in the New York Metropolitan Area. Thank you for giving me the opportunity to testify before this esteemed committee. I am also the President of Vital Transportation, a 34 year old cooperative owned by the drivers. Vital has approximately 290 drivers, each of whom is a small business owner and we provide approximately 340,000 rides per year to our 600+ clients.

At the outset I think it is important to note that the BCAC is not against ride hailing or what are commonly referred to as Transportation Network Companies or TNCs. However we do believe that the public and long-time existing businesses do deserve a level playing field with respect to safety and competition.

Many articles quote politicians and the public as saying that Upstate New York deserves ride hailing services just like Downstate New York. I could not agree more with one important caveat. TNCs or what is commonly referred to by the misnomer ride sharing do not exist in New York City. All these so called TNCs are fully licensed and regulated as black car bases.

What does this mean? It means that the businesses are subject to all local regulations on the same basis as any other business. It means drivers undergo fingerprint background checks and vehicles are inspected three times a year. Vehicles are clearly marked as for hire vehicles with their license plates and registration stickers. All vehicles must have $100,000/$300,000 insurance. All for hire vehicle bases are subject to a point violation system whereby a base can loseits license for serious violations of the Taxi and Limousine Commission's rules. Drivers are also held to a lower threshold of DMV points before they are subject to a suspension or revocation of their TLC driver's license than a non-commercial driver. So I ask you – should Upstate and Long Island passengers be subject to sub-standard safety requirements?

Local municipalities should be allowed to regulate the TNCs. While there is a carve-out for New York City there are other circumstances which would warrant enlarging the carve-out to the Metropolitan Commuter Transportation District (MCTD). A majority of the MCTD already have Taxi and Limousine Commissions with reciprocity agreements under State law. Border counties to New York City need to be able to regulate the TNCs not only because they tend to be denser populations that cause safety concerns that the local municipality would know best how to handle but to also prevent the TNC companies from registering their vehicles just outside of New York City and coming in and poaching City business. Illegal street hails are already rampant during peak hours and at least one ride hail company is operating in neighboring county to New York City. With the new TNCs having personal vehicle plates and removable dress code or signage, it would be virtually impossible any TLC to enforce against illegal activity.

Other major cities should also have local to regulate the TNCs. One size does not fit all when you are comparing urban areas to rural areas of New York.

Other issues include the creation of a new category of FHVs as previously mentioned called TNCs except some language explicitly excludes them from being considered a sub-set of the FHV category. All FHVs black cars, limos, liveries and TNCs should be considered FHVs. They all transport passengers for money. Various versions of TNC bills treat the TNCs differently for tax purposes.It is time to remove the different treatment of FHVs and achieve parity between the different categories. If one category of FHV pays sales tax then all categories should. Tax incentives motivate business decisions. Treating the various FHV categories differently again creates competitive inequities and will artificially drive the market to otherwise unwarranted change.

I would be happy to answer any questions that you may have.