



# New York Taxi Workers Alliance

*Union of NYC Taxi Drivers!*

*National TWA, AFL-CIO, Intl. Transport Workers' Federation*

31-10 37<sup>th</sup> Avenue, Suite 300 LIC, New York 11101

Phone: 718-70-NYTWA (718-706-9892) E-mail: [nytwa1@aol.com](mailto:nytwa1@aol.com) / [www.nytwa.org](http://www.nytwa.org)

## **OPPOSE S. 4280A and S. 4108C & A. 6090A**

**The New York Taxi Workers Alliance, AFL-CIO, and Local 1 of the National Taxi Workers Alliance, strongly opposes S-4280A and S-4108C and A. 6090A.** The bills carve out a special place in state law for Transportation Network Companies (TNCs), a wholly destructive, anti-worker, anti-consumer model that has been banned in over 40% of the countries in the world where they claim to have presence and increasingly, across the United States. The main thrust of these bills is to exempt a rapidly growing model of car service from common sense laws and regulations that have, for decades, established minimum standards for pricing, insurance, vehicle safety, passenger security, and driver qualifications in the taxi and for-hire-vehicle industry.

Hawaii, Michigan, Kansas, and West Virginia have all either instituted bans, or raised insurance requirements above the rates lobbied for by companies like Uber, in which case Uber pulls out, rather than allowing customers and drivers more coverage. Many other states with large taxi markets have also held off on passing legislation, including Pennsylvania, Florida, New Jersey and Texas.

States that have lowered their standards for insurance, security background checks, accessibility, and vehicle safety are experiencing rashes of crimes against passengers, a barrage of litigation, stranglehold congestion, and an increase in insurance costs for all motorists. The decline in the regulated taxi industry has also meant loss of revenue from taxes and fees for local municipalities, while the wear and tear on the streets increases and thousands of drivers – mostly immigrants and people of color – are driven further into poverty.

No one wins with TNCs except their CEOs. Uber, a company valued at \$50 billion, recently bragged about its job creation. In real numbers, meanwhile, Uber has only 3,000 employees globally. In contrast, Costco, a domestic company valued at \$19 billion has 174,000 employees receiving wages and protections under the Fair Labor Standards Act and all labor laws.

### ***Loss of Full-Time Work***

TNCs do not generate enough work to produce full-time incomes for drivers –independent contractors without even a guaranteed minimum wage. Unlike the regulated taxi industry

which has caps on the number of vehicles, TNCs lobby heavily against such restrictions as their business model is predicated on countless roaming cars to advertise their brand and to increase the likelihood of catching every fare. There are also countless TNCs popping up in every city. In NYC, there are 72 Apps in the limousine sector alone.

The oversaturation slices up the market into miniscule pieces, piecemealing driver labor. In this gig economy, no one App provides enough work to the large number of motorists they sign-on, so drivers are left dependent on two or three different Apps on two or three different phones to salvage a day's work.

TNCs recruit part-time workers with personal cars and private insurance. With lower vehicle and insurance costs, the drivers' money can instead be spent on higher commissions to the TNCs. In San Francisco and San Diego, they are already up to 30% commission rates.

51% of UberX (Uber's TNC brand) drivers are part-time and earn \$15,000 per year; part-timers earn poverty wages and full-time professional taxi drivers are losing 40% to 50% of their income in a vicious race to the bottom. If these bills pass, full-time jobs (and consumer protections) in the taxi sector will evaporate.

### ***Setting Back Important Worker Gains***

Even in states where independent contractor taxi drivers have Workers' Compensation and due process rights as licensees, TNC drivers have neither. Whereas collision insurance protects the fleet and the driver against insurance claims, TNC drivers are left unprotected. Any passenger can rate a driver: the rider could be intoxicated, bigoted, angry that the driver didn't run a red light, or looking to beat the fare (credit card dispute.) A downward rating could mean the driver can no longer get higher fare trips, or could be shut out altogether. In NYC, recently, thousands of drivers were required to attend a class and pay \$99 in order to get their rating back up. Many drivers reported losing their standing just before the class was announced. Whereas licensed taxi and limousine companies are required by law to have a physical location, support staff and dispatchers, Silicon Valley TNCs set up shop only in cyberspace. Uber's nearly 17,000 affiliated drivers in New York have one office with only one bathroom and waiting area in the office. There are also no caps on the fees charged by TNCs to drivers, unlike the regulated taxi industry which has precedents for lease caps and the limo industry where employee black car drivers negotiate contracts. There are high fears of retaliation among Uber drivers for speaking out, and these fears are all the more compounded by the fact that such retaliation may not be easily detected, as a driver doesn't know if there may be just less fares for the night or an oversaturation of vehicles.

### ***Loss of Local Revenue & Lack of Economic Growth***

Targeting taxis is just the beginning. This recent surge of gig economics builds on the proliferation of contingent labor since the 1970's, spurred on by the austerity times of the 1980's. Taxi drivers were then also on the front lines of the economic shift, going from

employee status under a commission system to paying to lease taxis as independent contractors. Forty years later, over thirty percent of the American workforce is similarly considered contingent labor. Already, TNCs are branching out to delivery service (transport of both goods such as packages and flu shots, as well as animal transport) and waging war on public transportation. In Chicago, Uber brags about being cheaper than a bus and faster than an ambulance. Uber is a nascent Walmart-on-Wheels, killing local economic growth, destroying full-time labor and sacrificing consumer protections.

East Hampton, New York has required TNC drivers to be local residents, to which Uber responded by asking Uber passengers as far away as Seattle to call and send emails of protest. TNCs are not about local job development. In their own local hometown of San Francisco, the Silicon Valley companies have left a trail of poverty and underservice.

“The *San Francisco Examiner* [reports](#) on testimony by Kate Toran, director of taxis for San Francisco’s transportation authority, who revealed that average monthly trips per city taxi have plummeted from 1,424 in 2012 to 504 in July of this year—a drop of almost 65%. Uber added San Francisco taxi service in October of 2012....In addition to cutting drivers’ revenues, Toran also suggested that people who use wheelchairs could be hurt by the shift to app-based services. Her report shows wheelchair pickups have dropped from 1,378 per month in March of 2013 to 768 in July—a decrease of over 50%.”

<http://time.com/money/3397919/uber-taxis-san-francisco/>

With 35,000 TNC private plates in San Francisco competing for fares against 2,000 licensed commercial taxis, the industry is on the verge of collapse. If the hemorrhaging doesn’t stop, the consequences will create ripples across the city’s economy: other industries supported by taxi industry and drivers’ daily labor; loss of revenue from tolls, taxes and fees; and the financial impact of medallion foreclosures.

We implore you: do not let this happen to Buffalo, Rochester, Albany, New York City, or anywhere else in our state.

### ***Why S. 4280A and S. 4108C and A. 6090A Matter to NYC Drivers***

Despite a provision of the bill (S. 4280A) which states that the bill does not authorize TNC service in NYC, the bill still exempts TNCs from state law that empowers local governments to regulate taxi and for-hire-vehicle industries.

The bills exempt TNCs from the long-standing reciprocal agreement between New York City and Nassau, Westchester, Rockland and Suffolk Counties to set minimum requirements for taxis and for-hire vehicles and drivers that would cross county lines. Local authorities would be required to allow TNCs even if NYC is not. NYC would be required to accept drop-offs or encroachment by TNC drivers with lower standards than licensed NYC taxi and for-hire-vehicle drivers.

Beyond the questions of what is in the letter of the law, the sobering reality is, the boundaries on the streets are invisible and the city will be unable to enforce against personal cars clogging

city streets to pick up fares. Passengers will be left vulnerable to the confusion, accepting higher fares, and lower insurance and security. Even with the largest taxi industry in the country, New York City drivers are struggling. There are now 75,000 vehicles competing for fares throughout the five boroughs. Uber black car drivers are forced to take \$8 fares – minus 30% in commission and other fees – while paying for \$60,000 - \$70,000 cars. Taxi medallion owner-drivers who have to average \$5,000 monthly to cover operating expenses are on the verge of financial ruin. We know Uber dispatches NJ fares to NYS licensed drivers and tells drivers it's at their own risk. We have also witnessed private cars with NJ license plates cruising for fares (the front seat is moved forward to make room in the back and the telephone is mounted on the dashboard.)

NYC taxi and for-hire-vehicle drivers serve over 1 million fares a day. Yellow taxis and green cabs contribute over \$85 million every year to the city's mass transportation budget (MTA): over half a billion dollars since 2009. We ask you to respect our labor, and see the potential in helping other local regulated taxi industries grow throughout the state.

All New Yorkers across our state deserve secure, insured, protected rides. All New Yorkers deserve the right to a living, including taxi and for-hire-vehicle drivers across our state. If TNCs are allowed to operate anywhere in our state, we will all be affected.

### ***Loss of Consumer Protections***

In all the areas that are important for customers in this public service industry, TNCs have lower standards: safety, insurance, privacy, accessibility, pricing and customer service.

Michigan State Senator Virgil Smith recently testified in Houston, Texas that he had to pay over \$12,000 in medical bills after an accident in an Uber X (TNC) car. Neither he nor the driver could reach Uber. Only after his legislative office spoke to an Uber lobbyist, were his calls returned, and even still, the bills remain.

Senator Smith was testifying at a time when the city of Houston was reconsidering its decision to let TNCs operate for limited time, in wake of Uber keeping an Uber X driver on the App for more than two months after he raped a female passenger who had fallen asleep in the backseat. *The same driver had applied for and was denied a taxi license by the City of Houston, but was then allowed to transport passengers as a TNC driver with Uber.*

Incidents of sexual assault, kidnapping, stalking, and assault have been reported across the US and across the world; in Boston, there were so many incidents, the police department held an emergency summit. After a rape incident in New Delhi, India, Uber first made loud public vows in support of the victim and pledged to do all necessary for the investigation, then said it would install a panic button for riders in the phone – something absolutely unheard of in a regulated service industry, and then swiftly filed to have the victim's case against it dismissed.

Consumers and drivers have little recourse to air their grievances with TNCs. A NYC passenger recently reported having to email Uber repeatedly when she was erroneously charged \$16,000 on a fare. Even after the case went to the media, it was not resolved.

Instead, TNCs prefer to be litigious, inspiring lawsuits by crime victims, accident victims, the differently abled unable to access equal service, and by drivers, around employee status.

"In a recent case filed in California, the National Federation of the Blind alleges that Uber's drivers have "repeatedly" refused to serve customers with service animals. Uber filed a motion to dismiss the lawsuit on February 5, claiming that it exists only in "cyberspace" and because it doesn't own any cars it doesn't qualify as a "public accommodation" covered by the Americans with Disabilities Act (ADA)."

<http://alj.am/1F483kV>

Securing exemptions from laws such as NYS Transportation Law §96, which imposes a burden on common carriers to only charge "just and reasonable rates" and requires public disclosures of rates, TNCs engage in duplicitous marketing and pricing: they first attract passengers by lowering fares to compete with taxis (a legally questionable attempt at monopolization), and then slowly introduce price surging, gouging the public with fares more than 1,000% of the introductory low rate.

The Silicon Valley multi-million dollar companies, skirting all laws and regulations pertaining to the transportation industry, are building their empires by promoting insecure, unsteady, underpaid labor; stripping the public of consumer protections; and undermining the necessity of regulation and the revenue generated by a regulated industry.

**Other states have refused to be bullied or bought by the intense TNC lobby. New York State must stand up for workers and customers and do the same. Oppose S. 4280A and S. 4108C and A. 6090A.**

**For any additional information, please contact us at 718-706-9892 or nytwa1@aol.com.**

The **New York Taxi Workers Alliance** has over 18,000 members in New York City, operating yellow medallion taxis, green cabs, and Uber black cars. NYTWA is currently building a state-wide coalition of taxi workers and allies to defend our jobs, the public we serve and the local economies we build, from the destructive agenda of TNCs. The **National Taxi Workers Alliance** is the first organization of independent contractors to be chartered by the **AFL-CIO**, America's 10 million members strong labor federation, and has affiliates in NYC, Philadelphia, Austin, Montgomery County (Maryland), and San Francisco. NYTWA is also affiliated with the five million members strong **International Transport Workers Federation** which is coordinating a global movement for drivers to defend ourselves from this economic attack.