

New York Taxi Workers Alliance

Union of NYC Taxi Drivers!

AFL-CIO, NYC CLC, NYS AFL-CIO, Intl. Transport Workers' Federation

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Important! Between TLC rulemaking and three court cases, changes are coming to the industry. Rise Up and Unite All Drivers! Be Informed to Shape Our Own Futures!

Come out for two important hearings on Monday, June 22nd: TLC Public Hearing and Vote on Rules for Apps that dispatch to FHV's; and Queens Supreme Court hearing on a lawsuit filed by four credit unions (Melrose, etc.) arguing that the TLC violated the law by allowing black cars using on-demand apps like Uber to cruise the streets, effectively picking up e-hails.

Monday, June 22nd

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| TLC Public Hearing & Vote FHV Apps Rules 10:30am 33 Beaver Street 19th Floor | Credit Unions Sue City (TLC, Mayor and NYS Attorney) Court Hearing open to the public 2:15pm Queens Supreme Court 88-11 Sutphin Blvd. (Jamaica) Judge Butler |
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Summary of Lawsuit

Melrose Credit Union v. City of New York

BACKGROUND/ALLEGATIONS:

- Melrose claims that TLC has failed to uphold the laws giving medallion owners the exclusive right to accept hails by allowing black cars using apps like Uber to cruise the streets, effectively picking up e-hails.
- Petitioners provide medallion financing, and have been able to finance medallions, without ever experiencing a loss because of the stability of the medallion's value.
- Petitioners have warned TLC that if the market value of medallions drop, they will not be able to make new loans, and that it will be impossible for them to provide

financing, and medallions will have to be foreclosed upon, which would cause all medallion values to drop.

- Allowing Uber to operate on demand e-hail service without Uber having to purchase medallions and other limitations applied to the taxi industry enables unfair competition with the medallion taxi industry.
- Before filing this lawsuit, Melrose asked TLC and Mayor de Blasio to enforce medallion taxis' exclusive right to hails, including e-hails, and to suspend app companies that provide e-hail service through FHV's.
 - Melrose believed that TLC would adopt rules governing e-hails to state that any ride made within fifteen minutes would be considered an e-hail, while rides arranged more than fifteen minutes in advance would be considered prearranged trips.
- TLC's proposed rules regarding trips dispatched to FHV's via apps did not include a fifteen-minute rule, as Melrose had expected. TLC staff now takes the position that an on-demand e-hail for an FHV car is not the same as a hail, and doesn't violate the exclusivity for hails in the medallion taxi industry.

- State and City Law Require that only Medallion Taxis May Respond to Hails:
 - Because TLC rules equate an "e-hail" with a conventional street hail, by allowing black cars to use hailing apps, the TLC has eliminated the exclusivity to hail cabs guaranteed by the medallion.
 - The HAIL ACT, passed by the state legislature in 2012, stated that no FHV's could pick up a passenger without pre-arrangement and that only taxicabs could pick up passengers via hail.
 - The FHV app rules proposed by TLC violate City law which states that no rule can be inconsistent with any portion of the Administrative Code. Melrose believes that allowing FHV's to use on-demand e-hail is inconsistent with the law reserving the right to pick up hails for yellow taxis.
 - An e-hail is not a pre-arrangement; as Uber has flooded the streets with drivers, the wait time for a car e-hailed through Uber is now almost instant in Manhattan.
 - E-hail apps hail vehicles immediately, not at a point in the future. Uber cannot be used to prearrange a future trip—the only way FHV cars are allowed to arrange trips legally.
 - Uber itself claims that is faster than a taxi, and is "always booked on-demand."

- An e-hail made through Uber is a hail and not a pre-arrangement
 - E-hail is included within the definition of a hail for yellow and green cabs. 35 RCNY §51-03.
 - Similar to traditional hails, e-hails summons on-demand service for passengers ready to travel.
 - TLC rules do not allow a potential passenger to "e-hail" an FHV through an on-demand app.

- The view that FHV's should not be allowed to receive any e-hails is supported by the fact that, under TLC rules, green cabs are not allowed to respond to e-hails south of W. 110th and E. 96th Street, where they are not allowed to respond to any type of hail.
 - TLC officials have told Melrose that, effectively, if an on-demand dispatch is made for a taxi it is an "e-hail," but if an on-demand dispatch is made for an FHV, then it is not considered an "e-hail."
- Government Failure to Act:
 - TLC has failed to enforce the hail rules by limiting the right to hails to medallion taxicabs.
 - Although the TLC passed e-hail rules in January, which define any type of hail, as limited to taxis and green cabs, TLC has failed to enforce these rules by allowing FHV's to use e-hail.
 - Rather than act to protect the medallion's exclusivity to hails, the TLC proposed rules which would legitimize the use of e-hail by FHV's.
 - New York State Attorney General Eric Schneiderman, has not responded to Melrose's request to make the TLC enforce the hail laws.

RELIEF REQUESTED:

- The Court should order respondent to enforce City law on hail exclusivity
 - TLC and the City have a mandatory duty to enforce the e-hail rules against FHV's, including Uber.
- The Court should order TLC to make rules that uphold medallion owners' exclusive right to hails under City law
- TLC should be prohibited from enforcing any existing rules that are inconsistent with existing law
 - Existing law, in the New York City Administrative Code, states that FHV drivers may only pick up passengers through pre-arrangement.
- The TLC should be prohibited from passing any new rules that would be inconsistent with existing law.
- The Court should declare that TLC rules which define "e-hails" should be considered null and void because they are inconsistent with the requirements of the New York City Administrative Code's requirement that only taxis and green cabs may accept hails.