

**Testimony of Ira Goldstein, Executive Director of The Black Car Fund**  
**Before the New York State Senate Standing Committee on Internet and Technology**  
**Public Hearing: Examination of the Gig Economy**

**Wednesday, October 16th, 2019**

Good morning Chair Savino and Members of the New York State Senate's Standing Committee on Internet and Technology. My name is Ira Goldstein and I am the Executive Director of The New York Black Car Operators' Injury Compensation Fund, or simply, "The Black Car Fund" as we have come to be known. I thank you for the opportunity to submit this written testimony and would like to state that I am available for further questions or discussion at a mutually convenient time in the future, as I am currently not in New York City.

As the growth of the gig economy continues to accelerate throughout the country, the issue of providing independent contractors with a portable benefits model to protect them will only become more critical. For the past twenty years, New York's black car industry has been ahead of the curve. The Black Car Fund was created by State Statute in 1999, and signed into law by Governor George Pataki, with the purpose of providing Workers' Compensation coverage to Black Car operators in the state of New York. The statute covers all black car drivers who are dispatched by one of our Member Bases. A base must become a member of The Black Car Fund if they meet the requirements outlined in the statute which states; ninety percent or more of its for-hire business is on non-cash payment basis, and that the base owns less than fifty percent of the cars it dispatches. We derive our income from a 2.5% passenger surcharge which is assessed on top of the total fare, billed and collected by Member Bases, and then remitted to The Fund on a monthly basis.

In the past several years, The Fund has been able to greatly expand the free benefits it provides to its covered drivers, including:

1. Telemedicine coverage for drivers and their families which allows them to consult with a board certified physician and even be prescribed medicine, all from the comfort of their home through phone or video conferencing.

2. Vision benefits which provide free eye exams and a free pair of glasses or six month supply of contact lenses for drivers.
3. A \$50,000 accidental death benefit paid to the families of drivers who tragically lose their lives on the job.
4. A mental health and wellness program, administered by the Independent Drivers Guild, which takes a holistic approach to overall wellness and seeks to destigmatize mental health by getting drivers to talk about it.

The fact that we are most proud of is that all of these additional benefits have been established and provided to drivers with only one small increase in our surcharge rate (2.5% from 2.0%) since we were created. Our minimal surcharge, which often amounts to less than pocket change for an average ride, has been enormously successful in providing benefits at a very affordable level. In the right kind of industry, The Black Car Fund's model exemplifies a way in which critically important benefits can be provided both affordably and in a scalable manner. As the State Senate weighs in on S.6538 - The Dependent Worker Act, sponsored by Chair Savino, we feel strongly that The Black Car Fund can serve as a framework and guide in addressing the worker benefits that this powerful piece of legislation targets. We are open and welcome to future discussions with regard to this.

The Black Car Fund's success and our unique model and benefits have been recognized nationally as a way for independent contractors to receive portable benefits which are normally only afforded to traditional employees. Just this month, we were announced as a winner of the third annual Mitchell mPower Awards. This prestigious award is designed to highlight and celebrate those who are delivering outstanding results and outcomes through innovative technology or business transformations. We were also recently given a spotlight from the International Association of Industrial Accident Boards and Commissions (IAIABC) which focused on our role in workers' compensation within the gig economy and next week, we will be receiving the IAIABC President's Award at their 105th Annual Convention which is given to those who demonstrate commitment and achievement in advancing workers' compensation systems throughout the world.

As we continue to fulfill our mission, limited only by the defining statute that created us, we must also thank Chair Savino for passing S.6239A during the last legislative session. This bill, once

signed by Governor Cuomo, will expand our statute to formally allow us to continue providing much needed additional benefits, consistent with our Plan of Operations. We look forward to this bill's signing.

Thank you once again to Chair Savino and the members of the State Senate's Standing Committee on Internet and Technology for providing this opportunity to testify and will gladly and promptly respond to any questions you may have.