

## NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

### Notice of Public Hearing and Opportunity to Comment on Proposed Rules

**What are we proposing?** The Taxi and Limousine Commission (“TLC”) is considering modifying its rules regulating fares applicable to Taxicabs and Street Hail Liveries.

**When and where is the Hearing?** The Commission will hold a public hearing on the proposed rule. The public hearing will take place at 11:00 a.m. on Monday, July 9, 2012. The hearing will be in the Commission hearing room at 33 Beaver Street, 19<sup>th</sup> Floor, New York, NY 10004.

**How do I comment on the proposed rules?** Anyone can comment on the proposed rules by:

- **Mail.** You can mail written comments to the Taxi and Limousine Commission, Office of Legal Affairs, 33 Beaver Street – 22<sup>nd</sup> Floor, New York, New York 10004.
- **Fax.** You can fax written comments to the Taxi and Limousine Commission, Office of Legal Affairs, at 212-676-1102.
- **Email.** You can email written comments to [tlcrules@tlc.nyc.gov](mailto:tlcrules@tlc.nyc.gov).
- **Website.** You can submit comments to the Taxi and Limousine Commission through the NYC Rules Web site at [www.nyc.gov/nycrules](http://www.nyc.gov/nycrules).
- **By Speaking At the Hearing.** Anyone who wants to comment on the proposed rule at the public hearing must sign up to speak. You can sign up before the hearing by calling 212-676-1135. You can also sign up in the hearing room before the hearing begins on June 21, 2012 at 11:00 a.m. You may speak for up to three minutes.

**Is there a deadline to submit written comments?** Yes, you must submit written comments by Monday, July 9, 2012.

**Do you need assistance to participate in the Hearing?** You must tell the Office of Legal Affairs if you need a reasonable accommodation of a disability at the Hearing. You must tell us if you need a sign language interpreter. You can tell us by mail at the address given above. You may also tell us by telephone at 212-676-1135. You must tell us by Monday, July 2, 2012.

**Can I review the comments made on the proposed rules?** A few days after the hearing, a transcript of the hearing and copies of the written comments will be available to the public at the Office of Legal Affairs at 33 Beaver Street, 22<sup>nd</sup> Floor, New York, NY 10004.

**What authorizes the Commission to make this rule?** Sections 1043 and 2303 of the City Charter and section 19-503 of the City Administrative Code authorize the Commission to make this proposed rule. This proposed rule was not included in the Commission’s regulatory agenda for this Fiscal Year.

**Where can I find the Commission’s rules?** The Commission’s rules are in title 35 of the Rules of the City of New York.

**What rules govern the rulemaking process?** The Commission must meet the requirements of Section 1043 of the City Charter when creating or changing rules. This notice is made according to the requirements of Section 1043(b) of the City Charter.

## Statement of Basis and Purpose of Proposed Rule

This rule amends the Taxi and Limousine Commission's rules governing fares charged in taxicabs and street hail liveries. The Commission's authority to make this rule is found in sections 2303 and 2304 of the New York City Charter and section 19-503 of the New York City Administrative Code.

The Commission held hearings on May 31, 2012 and July 9, 2012 at which it received evidence regarding rates of fare. These rules reflect evidence and testimony gathered at the hearings.

The proposed rules:

- Increase fares in taxicabs and street hail liveries by an amount that the TLC estimates will be the equivalent of 17% for the average passenger
- The TLC plans to select a health care assistance entity to provide driver health care and disability coverage. Drivers will pay for the coverage through a deduction of 6 cents per trip for all trips. Funds will be collected in the following manner; T-PEP vendors will charge Owners 6 cents per trip, and owners will pass this cost on to Drivers by deducting the sum from Drivers' credit card receipts
- Clarify that taxicab markings will be provided only on the Commission's Web site rather than also set forth in the Rules. This will allow more streamlined updating.

New material is underlined.

[Material inside brackets indicates deleted material.]

Section 1. Section 52-04 (c) of Title 35 of the Rules of the City of New York is amended to read as follows:

*(c) Powers and Duties with Respect to Rate-Setting*

- (1) The Commission will have the power and duty to set and enforce rates of fare to be charged and collected.
- (2) The Commission will prescribe, revise and regulate reasonable rates of fare that may be charged and collected for each type of service rendered.
- (3) Not later than the end of April of every odd-numbered year, the Chairperson shall prepare a report assessing the adequacy of the current fares established under Section 58-26 of these Rules. Such report [In determining the rates of fare, the Commission] may consider all relevant facts, including the following:
  - (i) The time and distance of travel;

- (ii) The character of the service provided;
- (iii) The gross revenues derived from operation;
- (iv) The net return derived from operation;
- (v) The expenses of operation including the income of drivers or operators;
- (vi) The return upon capital actually expended and the need to reserve some income for surplus and contingencies;
- (vii) The number of passengers transported;
- (viii) The effect of fares on the public and in relation to the fares for other forms of public transportation;
- (ix) The fares and practices with respect to similar services in other cities of the United States[.];
- (x) Changes in economic circumstances of drivers of Taxicabs since the previous adjustment in the rate of fare.

Such report shall contain a recommendation as to whether the rate of fare should be adjusted, and if so shall contain a recommendation as to the range of adjustment which would be appropriate in light of the foregoing factors and other factors deemed relevant. Such report must be published in the City Record..

- (4) [The Commission may not change the rates of fare except after holding a public hearing at which evidence will be taken and considered. ]Not later than the end of April of every odd-numbered year, the Chairperson shall prepare a report assessing the adequacy of the lease caps established under section 58-21 of these Rules. Such report shall consider all relevant facts, including:
  - (i) The expenses of operation of medallion owners and their agents;
  - (ii) Practices with respect to similar services in other cities in the United States;
  - (iii) Retention of experienced drivers;
  - (iv) Changes in economic circumstances of medallion owners since the previous adjustment in the lease caps;
  - (v) The economic condition of the taxi industry including such factors as the prevailing and projected (i) real estate taxes and sewer and water rates, (ii) gross operating maintenance costs (including insurance rates, governmental fees, cost of fuel and labor), (iii) costs and availability of financing (including effective rates of interest), (iv) over-all supply of drivers and passengers;

- (vi) Relevant data from the current and projected cost of living indices for the New York-northern New Jersey-Long Island area;
- (vii) Such other data as may be made available to it such as but not limited to cost of liability insurance for vehicles, cost of no-fault insurance, cost of fire insurance, cost of liability insurance for the facility, cost of garage equipment, cost of workers' compensation insurance for employees, cost of workers' compensation insurance for non-employee drivers mandated by state statute, cost of maintenance for garage equipment, cost of routine vehicle maintenance, cost of repairing damage to vehicles, cost of dispatchers, cost of managers, cost of mechanics, cost of accountants, cost of drivers to take vehicles to inspection, cost of office support staff, cost of rent, cost of electricity, cost of cleaning, cost of building fuel (gas or oil), cost of real estate taxes, cost of water and sewer taxes, costs of city permits such as for welding or paint shops or necessary facility renovation, costs of workers compensation insurance for employees, costs of social security contribution for employees, cost of taxes, including but not limited to Commercial Motor Vehicle Tax, cost of banking fees, cost of loan maintenance and payments, cost of loan origination fees, cost of telephone and internet access, cost of security, cost of IT including computer systems and internal networks, cost of maintaining computer equipment, cost of software and programming, cost of payments to medallion owners, legal services, accounting services, towing fees, life and medical insurance for employees, cost of processing EZ-Pass® requirements - including staff, cost of processing credit card payments - including staff, cost of office supplies, cost of garage supplies, cost of parts, including oils, washer fluid and miscellaneous items needed by mechanics, cost of vehicles, cost of settlements for driver accidents.

Such report shall contain a recommendation as to whether the lease caps should be adjusted, and if so shall contain a recommendation as to the range of adjustment which would be appropriate in light of the foregoing factors and other factors deemed relevant. Such report must be published in the City Record.

- (5) Not later than the end of July of every odd-numbered year, the Commission shall hold a public hearing on the reports prepared pursuant to Sections 52-04(c)(3) and (4) of these Rules. In determining the rates of fare and the lease cap rates, the Commission may consider all relevant facts, including the facts described in such reports and the facts described in Sections 52-04(c)(3) and (4) of these Rules..

Section 2. Subdivision (c)(5) of section 58-21 of Title 35 of the Rules of the City of New York is amended to add a new subparagraph (viii) to read as follows:

(viii) In addition to these charges, an Owner can deduct from credit card receipts payable to the Driver amounts retained by or payable to the T-PEP Provider, pursuant to the T-PEP Provider's contract with the Commission, provided that

A. such amounts are provided for by contract between the T-PEP Provider and the Commission or by rule of the Commission;

B. such amounts are dedicated for the purpose of providing healthcare services and disability coverage for drivers; and

C. such amounts do not exceed \$0.06 per trip.

Section 3. Subsections (1) and (2) of subdivision (f) of section 58-21 of Title 35 of the Rules of the City of New York are amended to read as follows:

- (1) For any lease of a Taxicab (vehicle and Medallion), an Owner (or Owner's Agent) must pay a Driver in cash, on a daily basis, the total amount of all credit card payments made during the Driver's shift, less the \$.06 per trip driver health surcharge described in subdivision 58-21(k);
- (2) For any lease not described in subparagraph (1), an Owner (or Owner's Agent) must pay the Driver in cash, on no less than a weekly basis, the total amount of all credit card payments made during that period, less the \$.06 per trip driver health surcharge described in subdivision 58-21(k).

Section 4. Subdivision (f) of section 58-21 of Title 35 of the Rules of the City of New York is amended by adding a new paragraph (5), to read as follows:

(5) An Owner can deduct from credit card receipts payable to the Driver amounts retained by or payable to the T-PEP Provider, pursuant to the T-PEP Provider's contract with the Commission, provided that

(i) such amounts are provided for by contract between the T-PEP Provider and the Commission or by rule of the Commission;

(ii) such amounts are dedicated for the purpose of providing healthcare services and disability coverage for drivers; and

(iii) such amounts do not exceed \$0.06 per trip.

Section 5. Subdivisions (a) and (b) of section 58-26 of Title 35 of the Rules of the City of New York are amended to read as follows:

(a) *Metered Rate of Fare.*

- (1) *Metered Rate of Fare.* The rate of fare for Taxicabs is as follows, regardless of the number of passengers or stops:

- (i) The charge for the initial unit is \$2.50
  - (ii) The charge for each additional unit is \$[.40] .50
  - (iii) The unit of fare is:
    - A. One-fifth of a mile, when the Taxicab is traveling at 12 miles an hour or more; or
    - B. 60 seconds (at a rate of \$[.40] .50 per minute), when the Taxicab is traveling at less than 12 miles an hour.
  - (iv) The Taximeter must combine fractional measures of distance and time in accruing a unit of fare. Any combination of distance or time specified in paragraph (iii) above must be computed by the Taximeter in accordance with Handbook 44 of the National Institute of Standards and Technology.
  - (v) The fare must include pre-assessment of the unit currently being accrued; the amount due can therefore include a full unit charge for a final, fractional unit.
- (2) *Surcharges.* In addition to the metered rate of fare, Taxicabs will add the following surcharges, except where surcharges are specifically exempted:
- (i) A rush hour surcharge of \$1.00 for all trips beginning on a weekday after 4:00 p.m. and before 8:00 p.m.; this surcharge will not be applied on legal holidays
  - (ii) A nighttime surcharge of \$.50 for all trips beginning after 8:00 p.m. and before 6:00 a.m.
- (3) *MTA Tax.* The MTA Tax must be charged on any trip that starts in New York City and ends in any of the following:
- (i) New York City
  - (ii) Dutchess County
  - (iii) Nassau County
  - (iv) Orange County
  - (v) Putnam County

- (vi) Rockland County
- (vii) Suffolk County
- (viii) Westchester County

(b) *Flat Rates from Kennedy Airport.*

- (1) *Flat Fare Rate to Manhattan.* The fare for a trip between Kennedy Airport and Manhattan will be a Flat Rate of \$[45]52, plus any tolls.
  - (i) NO surcharge will be added to this Flat Rate.
  - (ii) The MTA Tax must be charged in addition to the Flat Rate.
  - (iii) The Taximeter must reflect that this trip is a Flat Rate fare.
- (2) *Calculating Fare for Multiple Stops to Manhattan.* If passengers request multiple stops on a trip from Kennedy Airport to Manhattan, the fare will be determined as follows:
  - (i) The first stop in Manhattan is paid as required by paragraph (1) of this subdivision (a Flat Rate fare of \$[45]52 plus tolls plus the MTA Tax).
  - (ii) The Taximeter is then turned on as if for a new trip and a new fare is calculated as a regular metered trip.
  - (iii) The total metered fare (plus any surcharge) is paid at the last stop by the remaining passenger.
  - (iv) No fare is due at the time any other passengers are dropped off between the first and last passenger.
  - (v) Example: if three passengers request stops at 42<sup>nd</sup> St., 18<sup>th</sup> St. and 4<sup>th</sup> St.:
    - A. \$[45.50] 52.50 will be collected at 42<sup>nd</sup> St.
    - B. The Taximeter will be turned on at that point
    - C. When the second passenger exits at 18<sup>th</sup> St., the Taximeter remains on and no money is paid to the Driver.
    - D. The passenger dropped off at 4<sup>th</sup> St. must pay the fare on the Taximeter.

- (3) *Metered Fare to Boroughs Other Than Manhattan.* All trips between Kennedy Airport and a borough other than Manhattan are governed by the metered rate of fare as set forth in §58-26(a).
- (4) *Chairperson's Right to Suspend this Provision.* The Chairperson is authorized to suspend the enforcement of this provision at any time, if in the judgment of the Chairperson such a suspension is necessary to preserve adequate levels of service to and from Kennedy Airport.

Section 6. Paragraph (3) of subdivision (d) of section 58-26 of Title 35 of the Rules of the City of New York is amended to read as follows:

- (3) For a trip to Newark Airport the fare will be the sum of the following amounts:
  - (i) The amount shown on the Taximeter, plus
  - (ii) A surcharge of \$[15.00]17.50, plus
  - (iii) All necessary tolls to and from the destination

Section 7. Subdivision (a) of section 58-32 of Title 35 of the Rules of the City of New York is amended to read as follows:

- (a) *Approved Exterior Markings.*
  - (1) An Owner of a Taxicab must apply to the exterior of the Taxicab [ the following] markings approved by the Commission:
    - (i) [Two Taxicab logo decals
    - (ii) Two rate of fare decals
    - (iii) Two Medallion number decals
    - (iv) Two checkerboard stripe decals ]
  - (2) An Owner of a Taxicab must obtain the approved Taxicab markings from a person or entity authorized by the Commission to print and distribute the decals. A depiction of the decals and a list of persons authorized to print and distribute the decals will be available on the Commission's website and/or through other means determined by the Commission and announced on its website.

- (3) Authorized Stand-by vehicles must display SBV number decals in lieu of the Medallion number decals.

Section 8. Subdivisions (a) and (b) of section 82-26 of Title 35 of the Rules of the City of New York are amended to read as follows:

(a) *Metered Rate of Fare When Accepting Passengers by Hail.*

- (1) *Metered Rate of Fare.* The rate of fare for Street Hail Liveries for Passengers in Hail Trips is as follows, regardless of the number of passengers or stops:
  - (i) The charge for the initial unit is \$2.50
  - (ii) The charge for each additional unit is \$[.40] .50
  - (iii) The unit of fare is:
    - A. One-fifth of a mile, when the Street Hail Livery is traveling at 12 miles an hour or more; or
    - B. 60 seconds (at a rate of \$[.40] .50 per minute), when the Street Hail Livery is traveling at less than 12 miles an hour.
  - (iv) The Taximeter must combine fractional measures of distance and time in accruing a unit of fare. Any combination of distance or time specified in paragraph (iii) above must be computed by the Taximeter in accordance with Handbook 44 of the National Institute of Standards and Technology.
  - (v) The fare must include pre-assessment of the unit currently being accrued; the amount due can therefore include a full unit charge for a final, fractional unit.
- (2) *Surcharges.* In addition to the metered rate of fare, Street Hail Liveries will add the following surcharges for Hail Trips, except where surcharges are specifically exempted:
  - (i) A rush hour surcharge of \$1.00 for all trips beginning on a weekday after 4:00 p.m. and before 8:00 p.m.; this surcharge will not be applied on legal holidays
  - (ii) A nighttime surcharge of \$.50 for all trips beginning after 8:00 p.m. and before 6:00 a.m.
- (3) *MTA Tax.* The MTA Tax must be charged on any Hail Trip that starts in New York City and ends in any of the following:

- (i) New York City;
- (ii) Dutchess County;
- (iii) Nassau County;
- (iv) Orange County;
- (v) Putnam County;
- (vi) Rockland County;
- (vii) Suffolk County;
- (viii) Westchester County.

(b) *Flat Rates to Kennedy Airport.*

- (1) *Flat Fare Rate from Manhattan.* The fare for a Hail Trip to Kennedy Airport from a location in Manhattan which is in the Hail Zone will be a Flat Rate of \$[45]52, plus any tolls.
  - (i) NO surcharge will be added to this Flat Rate.
  - (ii) The MTA Tax must be charged in addition to the Flat Rate.
  - (iii) The Taximeter must reflect that this trip is a Flat Rate fare.
- (2) *Metered Fare from Boroughs Other Than Manhattan.* All Hail Trips to Kennedy Airport from a borough other than Manhattan are governed by the metered rate of fare as set forth in §82-26(a).
- (3) *Chairperson's Right to Suspend this Provision.* The Chairperson is authorized to suspend the enforcement of this provision at any time, if in the judgment of the Chairperson such a suspension is necessary to

Section 9. Paragraph (3) of subdivision (d) of section 82-26 of Title 35 of the Rules of the City of New York is amended to read as follows:

- (3) For a trip to Newark Airport the fare will be the sum of the following amounts:
  - (i) The amount shown on the Taximeter, plus
  - (ii) A surcharge of \$[15.00] 17.50, plus
  - (iii) All necessary tolls to and from the destination

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS  
253 BROADWAY, 10<sup>th</sup> FLOOR  
NEW YORK, NY 10007  
212-788-1400**

**CERTIFICATION / ANALYSIS  
PURSUANT TO CHARTER SECTION 1043(d)**

**RULE TITLE: Fare Increase Rule  
REFERENCE NUMBER: TLC-34  
RULEMAKING AGENCY: TLC**

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because it does not establish a violation, modification of a violation, or modification of the penalties associated with a violation.

/s/ Francisco Navarro  
Mayor's Office of Operations

June 7, 2012  
Date

**NEW YORK CITY LAW DEPARTMENT  
100 CHURCH STREET  
NEW YORK, NY 10007  
212-788-1087**

**CERTIFICATION PURSUANT TO  
CHARTER §1043(d)**

**RULE TITLE: Fare Increase and Amendment of Lease Cap Rules**

**REFERENCE NUMBER: 2012 RG 045**

**RULEMAKING AGENCY: Taxi and Limousine Commission**

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN  
Acting Corporation Counsel

Date: June 6, 2012