

**NEW YORK CITY TAXI AND LIMOUSINE COMMISSION**

*Notice of Opportunity to Comment*

**Notice is hereby given in accordance with Section 1043(b) of the Charter of the City of New York, that the Taxi and Limousine Commission (“TLC”) proposes to amend the Taxicab Owners Rules to adjust the maximum lease rates a medallion owner may charge a licensed taxicab for various shifts.**

The TLC is proposing such regulations pursuant to the authority vested in the TLC under Charter Section 2303(a) and 2303(b); and under Sections 19-503; 19-503.1; and 19-506 of the Administrative Code of the City of New York.

The NYC Taxi and Limousine Commission will hold a public hearing in connection with these proposed regulations at 40 Rector Street, Fifth Floor, New York, NY 10006 on Tuesday, March 30, 2004, at 9:30 a.m. Persons seeking to testify are requested to notify the Commission in writing, at the address stated in this notice, or by telephone: (212) 676-1117. Persons who request that a sign language interpreter or other form of reasonable accommodation for a disability be provided at the hearing are asked to notify the Commission by no later than Friday, March 26, 2004.

Written comments in connection with these proposed regulations may be sent through March 29, 2004 to:

**Peter M. Mazer**  
***Deputy Commissioner for Legal Affairs/General Counsel***  
**New York City Taxi and Limousine Commission**  
**40 Rector Street, 5<sup>th</sup> Floor**  
**New York, New York 10006**

Written comments and a summary of all comments received at the hearing will be available for public inspection at that office.

**Section 1.** It is hereby proposed that Title 35 of the Rules of the City of New York (“RCNY”), Chapter 1, Taxicab Owners’ Rules, Section 1-78(a)(1), Limitations on Lease Rates Charged to Drivers, be amended to DELETE subparagraph (b), relating to the establishment of a Baseline Lease Cap for owners of vehicles older than model year 1994, in its entirety; and to amend subparagraph (a) to read as follows:

*Italics indicate new material.*

[ ] Brackets indicate deleted material.

**§1-78 Limitations on Lease Rates Charged to Drivers.**

(a) *Standard Lease Cap.* An owner of a taxicab [of model year 1994 or a subsequent model year] may charge a lease rate to a driver that is not greater than the Standard Lease Cap [, except, however, that such an owner may charge a lease rate pursuant to paragraph (b), regardless of whether such rate is greater than the Standard Lease Cap. Any lease which is not subject to a Standard Lease Cap is subject to the Baseline Lease Cap set forth in paragraph (b)].

(1) The Standard Lease Cap for a medallion and vehicle for one *twelve-hour* shift shall not exceed [\$103; provided however that the Standard Lease Cap for the night shifts on Thursday, Friday and Saturday shall not exceed \$112.]:

*(a) \$94, for the day shifts on Saturday and Sunday;*

*(b) \$120, for the night shift on Wednesday;*

*(c) \$129, for the night shifts on Thursday, Friday and Saturday; and*

*(d) \$103 for all other shifts.*

(2) The Standard Lease Cap for a medallion and vehicle for one shift for a week or longer shall not exceed \$[617] 638 weekly.

(3) The Standard Lease Cap for a medallion only, covering the entire time during a week or longer, shall not exceed \$[741] 766 weekly.

## **Statement of Basis and Purpose**

The regulations proposed herein by the New York City Taxi and Limousine Commission (“TLC”) are authorized under Section 2303(a) of the Charter of the City of New York, which empowers the TLC to regulate and supervise the business and industry of transportation of persons by licensed vehicles for-hire in the City, and by Section 19-503 of the Administrative Code, which authorizes the TLC to promulgate regulations to implement provisions of the Charter.

In 1996, the TLC promulgated regulations establishing maximum lease rates that may be charged drivers who lease taxicabs by the shift, or for longer periods. Section 1-78(e) of the Taxicab Drivers’ Rules permit the TLC to raise or lower this lease cap upon a demonstration of substantial evidence of increased or reduced operating expenses of the affected medallion owners. If the TLC proposes to increase the maximum lease rates, a review shall also include, but not limited to, the effects on driver earnings and the retention of experienced drivers.

The TLC has received two rulemaking petitions, each of which have requested adjustments to the maximum lease rates charged by taxicab owners. One petition, filed by the Metropolitan Taxicab Board of Trade (“MTBOT”), has requested that maximum lease rates be increased for all shifts; the other petition, filed by the Taxi Workers’ Alliance (“TWA”), has requested maximum lease rate reductions.

The TLC has considered the two petitions, and it has reviewed the data submitted by the petitioners. Lease rates have remained constant since 1996, despite increases in many of the expenses incurred by taxicab owners. The data submitted by the owners’ groups filing a petition has indicated that an increase in maximum lease rates would be needed to compensate owners for these increases in expenses such as vehicle replacement, insurance and maintenance. The TLC proposes only a moderate increase in maximum lease rates for certain peak shifts in order to attract and retain qualified drivers. A substantial increase in lease rates would have an adverse impact upon a driver’s income. As such, the TLC proposes lowering the maximum lease rate for two shifts where it appears that a driver’s income is lower, in order to encourage drivers to provide service to the public during these periods. The TLC also proposes an increase in weekly lease rates that is proportionate to the increase in daily rates. The TLC further notes that

taxicab owners and drivers are free to agree upon lease rates that are below the maximum set by regulation. Many garages have reported to the TLC that the actual lease rates charged are lower than the maximum set by TLC rules for a majority of shifts.