

NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

Notice of Public Hearing and Opportunity to Comment on Proposed Rules

Notice is hereby given in accordance with section 1043(b) of the Charter of the City of New York (“Charter”) that the Taxi and Limousine Commission (“TLC”) proposes rules to establish a procedure for pilot programs to test innovative or experimental types and designs of equipment, modes of service, and manners of operation in the industries regulated by the TLC.

These rules are proposed pursuant to sections 1043 and 2303(b)(9) and (11) of the Charter and section 19-503 of the Administrative Code of the City of New York. These proposed rules were included in the TLC’s regulatory agenda for Fiscal Year 2006.

A public hearing on these proposed rules will be held by the TLC at its offices at 40 Rector Street, 5th Floor, New York, New York 10006 on February 9, 2006, at 9:30 a.m. Persons wishing to testify at the hearing may notify the TLC in advance, either in writing or by telephone to the TLC’s Office of Legal Affairs at the address and telephone given below. Any request for a sign language interpreter or other form of reasonable accommodation for a disability at the hearing must be submitted to the Office of Legal Affairs in writing, by telephone, or by TTY/TDD no later than February 2, 2006.

Written comments in connection with these proposed rules should be submitted to the Office of Legal Affairs and must be received no later than February 6, 2006 to:

Charles R. Fraser
Deputy Commissioner for Legal Affairs/General Counsel
Taxi and Limousine Commission
40 Rector Street, 5th Floor
New York, New York 10006
Telephone: 212-676-1117
Fax: 212-676-1102
TTY/TDD: 212-341-9596

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

Statement of Basis and Purpose of Proposed Rules

The proposed rules are intended to encourage innovation and experimentation in the industries regulated by the Taxi and Limousine Commission ("TLC"), pursuant to section 2303(b)(9) of the Charter of the City of New York ("Charter"). The TLC has entered into various pilot programs in the past, and has previously promulgated rules governing innovation and pilot programs in specific areas such as taxicab vehicle models (35 RCNY § 3-03(d)) and taxicab group rides (35 RCNY § 1-71(c)). The proposed rules reflect the TLC's view that all of the industries it regulates should be encouraged to engage in innovation and experimentation in all aspects of their equipment, service and operations, and that such innovation and experimentation will benefit from a regularized and transparent process for proposal, review, approval, implementation and evaluation of pilot programs.

Section 1. It is hereby proposed that Chapter 14, Pilot Programs, be added to Title 35 of the Rules of the City of New York, to read as follows:

New material is underscored.

§14-01 Definitions.

For purposes of this chapter:

- (a) “Commission” shall mean the Taxi and Limousine Commission as defined in section 2301 of the New York City Charter.
- (b) “Chairperson” shall mean the Chairperson of the Taxi and Limousine Commission, as defined in section 2301(c) of the New York City Charter, or his or her designee.

§14-02 Purpose.

The Commission recognizes that its regulatory framework should encourage the industries it regulates to adopt technological and other advances. This chapter is intended to provide a regularized and transparent process for proposal, review, approval, implementation, and evaluation of pilot programs, in furtherance of the Commission’s mandate, expressed in section 2303(b)(9) of the City Charter, to encourage innovation and experimentation in relation to type and design of equipment, modes of service and manner of operation.

§14-03 Submission of pilot program proposals.

Any person or entity may propose a pilot program in writing to the Chairperson for purposes of testing and evaluating a proposed innovation. The proposal shall include:

- (a) A statement of the purpose or value of the proposed innovation;
- (b) A detailed description of the proposed innovation, including, as appropriate, diagrams, blueprints or images;
- (c) Information regarding the use of the proposed innovation in other jurisdictions;
- (d) Estimates of any cost and revenue impact of the proposed innovation on affected licensee groups such as drivers and vehicle owners, on the Commission and the City, and on the public;
- (e) Specification of each respect in which the proposed innovation would depart from otherwise applicable requirements, including the rules of this title;
- (f) Description of any affect the pilot program would have on the safety of operations involved in the pilot program;
- (g) The proposed duration of the pilot program;

(h) The number of pilot program participants necessary to achieve the purpose of the proposed pilot program; and

(i) Criteria by which the value of the innovation can be measured after implementation of the pilot program, such as cost, customer satisfaction, licensee satisfaction, environmental impacts, and safety.

§ 14-04 Review and approval of pilot program proposals.

(a) The Chairperson shall conduct or oversee the review of pilot program proposals. The Chairperson shall be authorized to assemble any information, from any source, that he or she determines to be useful in reviewing the proposal. Without limitation of the foregoing, the Chairperson may request modification or resubmission of the proposal, including additional information, evaluations, inspection of prototypes, tests or other processes of any kind that may assist in the review of the proposal. Such request may be made to the person or entity proposing the pilot program, or to any other person or entity.

(b) The Chairperson shall approve or reject a proposed pilot program within 60 days of receipt of a completed proposal, except that the Chairperson may within such 60-day period extend the time for approval or rejection of the proposed pilot program. Grounds for rejection shall include, but shall not be limited to, the merits of the proposal and the administrative ability of the Commission or its staff to implement, monitor, or evaluate the proposed pilot program. A rejection shall include a statement of the reasons that the proposal was rejected.

(c) In the event that the Chairperson approves the proposed pilot program, he or she shall cause the proposal to be presented to the Commission, with a recommendation that the proposal be approved. The Commission shall consider the proposal and shall approve or reject the proposed pilot program.

(d) The Chairperson's recommendation for approval, and the Commission's resolution of approval, of any proposed pilot program shall each set forth terms governing the implementation, monitoring and evaluation of the proposed pilot program, including but not limited to the following:

(i) The duration of the pilot program;

(ii) A schedule for implementation and evaluation of the pilot program, including a deadline for a final report from the Chairperson to the Commission, and a deadline for initiation of rulemaking action to implement changes in the Commission's rules based on the outcome of the pilot program so that the proposed innovation may continue without interruption in the event that the Commission determines that such continuation is warranted;

(iii) Statement of any minimum and maximum number of pilot program participants;

- (iv) Description of the means by which public notice will be given of the proposed pilot program;
- (v) Description of the process for selection of participants in the pilot program;
- (vi) Statement whether a safety evaluation of the proposed pilot program shall be required before or during implementation of the pilot program, and, if so, statement of how and by whom such safety evaluation shall be conducted;
- (vii) Statement that the pilot program participants shall enter into binding agreements with the Chairperson on behalf of the Commission;
- (viii) Enumeration of the criteria to be used in evaluating the proposed innovation during and after implementation of the pilot program; and
- (ix) Description of any reporting requirements during and after the completion of the pilot program, including reports from the pilot program participants to the Chairperson and from the Chairperson to the Commission.

§ 14-05 Agreements between the Commission and the pilot program participants.

(a) Participation by a person or entity in any pilot program approved by the Commission shall be subject to that person or entity entering into an agreement with the Chairperson on behalf of the Commission, governing the preparation, implementation and evaluation of the pilot program. Such agreement shall include provisions consistent with the terms of the Commission's resolution of approval of the pilot program.

(b) Where a pilot program involves more than one participant, the Chairperson shall determine whether the participants shall enter into identical or differing agreements.

(c) Agreements made pursuant to this section shall be subject to approval as to form by the Corporation Counsel pursuant to section 394(b) of the New York City Charter.