

**PROPOSED RULES PAVE THE
ROAD FOR TAXI-HAIL SMARTPHONE APPS**

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The New York City Taxi and Limousine Commission (TLC) today released proposed regulations that will permit apps for taxi e-hail and payment, while updating the functionality of taxi technology systems and providing for the continuity of the taxi-riding public's ability to pay by credit card. The proposed rules will be the subject of a public hearing at the agency's 33 Beaver Street headquarters on November 29, 2012, with a vote anticipated to take place at the Commission's following meeting on December 13.

"Taxi passengers should be able to use the most up-to-date technology available to find a cab faster," said TLC Commissioner/Chair David Yassky. "We welcome feedback from the taxi and car service industries on how taxi-hail apps can best supplement the existing service models, so that we can finalize these rules and get apps on passengers' smartphones by early next year."

Passenger survey results say that 70% of those asked have a smartphone, and 55% want the ability to e-hail taxicabs and pay by smartphone.

Concurrent with the issuance of the e-hail rules, the TLC has also notified participants in the TLC's RFP for a custom-made smartphone app that the agency does not anticipate proceeding with the RFP. Because the e-hail rules will enable app developers to offer riders fare payment products, the RFP will no longer be necessary.

With passengers having demonstrated a preference for paying fares by credit card (50% of all taxi trips are paid for by credit card; 57% of all fare dollars are paid by credit card), the rules package will also structure the means for apps to interface with the taxi technology systems (or TPEP – Taxi Passenger Enhancement Program) in taxicabs, creating an ongoing framework for credit card payment. The existing framework – an exclusive payment processing contract with two technology companies – will expire in mid-February.

Proposed Rule Highlights

E-HAIL APPS

- Rule permits app developers to market e-hail apps and drivers to use apps, provided the app is licensed by TLC.
- Rule would permit full range of app business models (apps that do/do not include confirmation from driver; apps that do/do not include payment for taxi trip).



- Use of e-hail apps is optional for drivers.
 - Fleets cannot require drivers to use these apps.
- Use of apps not permitted unless vehicle is legally standing.
- Only licensed taxi drivers in licensed taxicabs can use e-hail apps.
- Apps may not be used at JFK or LaGuardia airports to avoid disruption of managed passenger/taxicab queues, or at Penn Station and Grand Central taxi lines.
- Apps must not disclose passenger destination information (or other identifying information) to drivers. Driver only sees pickup location.

E-HAIL APPS THAT ALSO PROVIDE FARE PAYMENT

- E-hail apps that also provide for payment must integrate with TPEP, and payment infrastructure must meet same stringent security standards as TPEP.
- App that includes trip payment must obtain fare by direct transmission from meter (via TPEP). Without this, there is risk of driver error/wrongful entry of fare.
- Provides for confirmation of payment to driver (also via TPEP).
- TPEP systems are required to integrate all TLC-approved apps that provide fare payment.
- Apps including trip payment must identify any service charge collected by the app separately from the metered fare (including all tolls, surcharges and MTA tax) and any gratuity (gratuities shall remain non-mandatory, and shall be in an amount to be selected by passenger).
 - Total amount designated as a “tip” or “gratuity” must go to the driver.
 - Driver cannot receive any payment for e-hail trips other than fare and tip. As a result, drivers will not prioritize e-hail trips over hand-in-air hail trips.
 - Rules permit pre-set tip amounts/percentages, so long as that amount can be changed by passenger.
- App including trip payment must accept, at least, AmEx, VISA, MasterCard and Discover.
- App including trip payment must offer a receipt, which can be an electronic receipt (e.g., email, SMS), at the passenger’s choice.
- Rules permit pre-payment (prior to end of trip) to expedite process.
- Rules permit split fares among passengers using the same app.



- Drivers cannot accept payment by any apps other than TLC-approved apps.

T-PEP 2.0 Rules Would Require:

- Display of current rate code and a running total fare for the ability to see itemized fare at any time;
- Optional acceptance of electronic signature and provision of electronic receipt;
- Allow for pre-payment via early swiping & approval by the Passenger to speed disembarkation;
- The option of providing splitting of fares;
- Features to assist visually-disabled passengers with paying fare;
- Improved Spanish language content on PIM;
- Expanded passenger route map (covering more ground for out-of-town trips);
- Geo-fence rate code 4 (preventing activation unless outside of NYC);
- Acknowledgement and requirements for integrating with smartphones;
- Option to pay drivers directly via electronic debits;
- Automatically deduct the \$0.06 healthcare fee for each transaction;
- More frequent updates to TLC content and surveys;
- Expansion of TLC Audio/Video Content;
- Expanded text messaging capability;
- More and better passenger survey capabilities.

The TLC was created in 1971, and is the agency responsible for the regulation and licensing of almost 200,000 yellow medallion taxicabs and for-hire vehicles, their drivers, and the businesses that operate and support their industries. It is recognized as the largest and most active taxi and for-hire vehicle regulatory body in the United States.

To find out more about the TLC, or to review its rules, regulations and procedures, we encourage you to visit our official Web site at www.nyc.gov/taxi or call 311 in New York City, or 212-NEW-YORK from outside of New York City.

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[For Public Hearing – TPEPRules – November 29, 2012 at 10 a.m.](#)
[For Public Hearing – E Hail Application License – November 29, 2012 at 10 a.m.](#)

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