

## 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 is considering changing its rules regarding the Taxi Improvement Fund. The change will create standards and requirements for the allocation and distribution of funds collected in the Taxicab Improvement Fund to certain medallion owners and drivers of accessible taxicabs, modify the lease rates for certain accessible taxicabs, and adjust the Dispatch Fee paid to drivers for completing a trip dispatched by the accessible taxi dispatcher.

**When and where is the Hearing?** The Commission will hold a public hearing on the proposed rules. The public hearing will take place at 10:00 a.m. on September 17, 2015. This hearing will be held in the Commission's public 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, NY 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 Hearings.** Anyone who wants to comment on the proposed rule at the public hearings 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. You can speak for up to three minutes.

**Is there a deadline to submit written comments?** Yes, you must submit written comments by September 17, 2015.

**Do you need assistance to participate in the Hearings?** 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 Thursday, September 10, 2015.

**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.

**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 because it was not contemplated when the Commission published the agenda.

**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**

The proposed rule amends the Taxi and Limousine Commission's (TLC) rules regarding how a portion of the Taxicab Improvement Fund will be distributed to Medallion Owners who have placed into service an accessible taxicab as required under subdivisions (a) through (c), or have assumed the accessibility requirement of another Owner under subdivision (e) of §58-50 of the TLC Rules. The proposed rule also provides for the distribution of a portion of the Taxi Improvement Fund to drivers of accessible taxicabs, and modifies the lease rate for accessible taxicabs placed into service under §58-50 of the TLC Rules. Additionally, the proposed rule amends the Accessible Taxicab Dispatch Fee to be paid to drivers.

Rules previously adopted by the TLC provide for the Taxicab Improvement Surcharge and the establishment of the Taxi Improvement Fund, as well as the process for medallion owner remittance of the collected amounts to the TLC. The TLC will propose rules in the near future to establish distribution criteria for the Street Hail Livery Improvement Fund. The TLC expects the Street Hail Livery Improvement Fund distribution criteria to differ from those of the Taxi Improvement Fund, given the differences in the number of accessible vehicles and the number of trips between the two. Currently, Accessible Street Hail Livery vehicles are being subsidized through the Accessible Street Hail Livery Grant program. The TLC will be working with the Street Hail Livery industry to develop programs for fund use and distribution criteria.

The TLC will review the Taxicab Improvement Fund annually, by no later than the end of April in each year beginning in 2017.

The proposed rule:

- Establishes requirements for Medallion Owners (or their Agents) to receive payments from the Taxicab Improvement Fund for:
  1. A one-time Hack-up payment of \$14,000. This amount represents the approximate maximum difference between the cost of the accessible and non-accessible versions of the Nissan NV200 Taxi.
  2. Periodic operational payments during the four-year operational life of an Accessible Taxicab totaling \$4,000 per year and consisting of:
    - \$1,500 per year for estimated additional maintenance costs of the Accessible Taxicab, and,
    - \$2,500 per year to cover estimated lost revenue associated with additional days the Accessible Taxicab may be off of the road for the additional maintenance.

TLC estimated operational costs by surveying accessible owner-drivers on maintenance costs for accessible vehicles and by comparing the number of annual revenue shifts performed between accessible and non-accessible taxi vehicles during 2013. Yearly payments for operational costs will be divided into three equal payments and made following each vehicle's Tri-Annual Inspection.

In order to maintain operational payments to owners at reasonable levels, TLC may not distribute all of the funds collected in any given year in view of the expected steady increase in the number of Accessible Taxicabs being put into service in future years. In addition, the Owner portion of the Taxi Improvement Fund will provide for the costs of the Accessible Dispatch program, including increases to the Accessible Dispatch Fee paid to Drivers for trips dispatched by the Accessible Taxi Dispatcher.

- To defray the additional costs of driving an Accessible Taxicab for hire (e.g., lesser fuel efficiency of the vehicles), the proposed rule provides to Drivers per-trip payments from the Taxicab Improvement Fund for all passenger trips while driving an Accessible Taxicab. TLC will calculate the per-trip amount by dividing a minimum of seventy (70) percent of the Driver portion of the Taxi Improvement Fund collected in the previous calendar year by the estimated number of trips in an Accessible Taxicab in the current calendar year. Allocations to Drivers of this calculated per-trip amount will be made periodically.

Any undistributed amount from the Driver portion of the Taxi Improvement Fund will be held in reserve for other potential Driver benefits relating to Accessibility (e.g., additional training associated with driving an Accessible Taxicab), and to account for the expected increase in the number of Accessible Taxicab trips in future years. The Driver per-trip payment amount will be posted on the TLC Web site.

- Amends the lease rates by requiring a \$77 per week credit to the Driver during the four year period when the Medallion Owner is required to place an Accessible Taxicab into service under §58-50 of the TLC Rules. This lease credit offsets the periodic Accessible Vehicle operational payments of \$4,000 per year to the Medallion Owner.
- Amends the Accessible Taxicab Dispatch Fee to increase amounts paid to Drivers who complete a trip dispatched by the Accessible Taxi Dispatcher. Drivers will be paid a fee that includes:
  - An amount for the time and distance traveled to the Passenger location. This amount will be based on TLC data for average cost of total fares at existing Rates of Fare in one-half mile increments for distances of up to 2.5 miles.
  - Waiting and Passenger assistance time of ten minutes at the existing Rates of Fare for time.

The chart below provides a comparison of existing and proposed Dispatch Fees based on distance travelled to the Passenger’s pickup location:

<b>Distance Travelled to Customer’s Pickup Location</b>	<b>Existing Dispatch Fee Schedule</b>	<b>Proposed Dispatch Fee Schedule</b>
Up to .5 miles	\$6	\$10
.5 – 1 miles	\$10	\$15
1 - 1.5 miles	\$15	\$20
1.5 – 2 miles	\$15	\$25
Over 2 miles	\$15	\$30
Passenger No-Show Fee	\$5	\$5

The Dispatch Fee will continue to include any tolls to the pickup location, and a Passenger no-show fee when the Passenger does not appear within ten minutes at the designated pickup location. The Dispatch Fee will be reviewed and adjustments made annually or at the time of any Rates of Fare changes.

These rules are authorized by Section 2303 of the Charter and Section 19-503 of the Administrative Code of the City of New York.

New Material is underlined

[Material inside brackets indicates deleted material.]

Section 1. The definition of Dispatch Fee set forth in section 51-03 of Title 35 of the Rules of the City of New York is amended to read as follows:

**Dispatch Fee** is the fee payable to the Driver of an Accessible Taxicab for completing a trip dispatched by the Accessible Taxi Dispatcher. [The fee will be determined and paid by the Accessible Taxi Dispatcher to the Taxicab Owner, who must pay the fee to the Driver.]The Dispatch Fee will be\_[\$6 for trips under .5 miles; \$10 for trips between .5 miles and 1 mile; and \$15 for all trips over 1 mile] calculated by combining:

- (1) an amount compensating the Driver for the time and distance traveled to the Passenger location. This amount will be based on TLC data for the average cost of a total fare at existing Rates of Fare in one-half mile increments (up to a maximum distance of 2.5 miles), and
- (2) an amount compensating the Driver for time in waiting for and assisting the Passenger into the vehicle of ten minutes at the existing Rates of Fare for time. If no Passenger appears, the Driver shall still be entitled to this amount.

The Dispatch Fee will include tolls to the pickup location and will also include an additional \$5 Passenger no-show fee [for wait time if the Driver waits for the passenger for more than 10 minutes after the later of either the appointed pickup time or the Driver's arrival at the pickup location (the \$5 is also payable] if [no] the [p]Passenger does not appear[s] at the pickup location within a ten minute period[)].The Dispatch Fee will be posted on the TLC Website and the amounts will be reviewed by the Chair annually or at the time of any Rate of Fare changes.

Examples: 1) Distance to Passenger pickup is 0.5 miles. TLC trip data indicates that an average fare for a 0.5 mile trip is \$5.00. Driver receives \$5.00 for this portion, and an additional \$5.00 which reflects a wait time of 10 minutes at \$0.50 per minute. Total is \$10.00 (\$5.00 and \$5.00) plus any tolls to the pickup location. 2) Distance to Passenger pickup is 1.0 miles. Driver receives \$10.00 for this portion and an additional \$5.00 for the wait time for a total of \$15.00 (plus any tolls to the pickup location).

Section 2. Subdivision (e) of section 53-03 of Title 35 of the Rules of the City of New York is amended to read as follows:

(e) *Dispatch Fee.* The fee payable to the Driver of an Accessible Taxicab for completing a trip dispatched by the Accessible Taxi Dispatcher. The amount of the Dispatch Fee will be [\$6 for trips under .5 miles; \$10 for trips between .5 miles and 1 mile; and \$15 for all trips over 1 mile] calculated by combining:

- (1) an amount compensating the Driver for the time and distance traveled to the Passenger location. This amount will be based on TLC data for the average cost of a total fare at existing Rates of Fare in one-half mile increments (up to a maximum distance of 2.5 miles), and

(2) an amount compensating the Driver for time in waiting for and assisting the Passenger into the vehicle of ten minutes at the existing Rates of Fare for time. If no Passenger appears, the Driver shall still be entitled to this amount.

The Dispatch Fee will include tolls to the pickup location and will also include an additional \$5 Passenger no-show fee [for wait time if the Driver waits for the passenger for more than 10 minutes after the later of either the appointed pickup time or the Driver's arrival at the pickup location (the \$5 is also payable) if [no] the [p]Passenger does not appear[s] at the pickup location within a ten minute period[]]. The Dispatch Fee will be posted on the TLC Website and the amounts will be reviewed by the Chair annually or at the time of any Rate of Fare changes.

Examples: 1) Distance to Passenger pickup is 0.5 miles. TLC trip data indicates that an average fare for a 0.5 mile trip is \$5.00. Driver receives \$5.00 for this portion, and an additional \$5.00 which reflects a wait time of 10 minutes at \$0.50 per minute. Total is \$10.00 (\$5.00 and \$5.00) plus any tolls to the pickup location. 2) Distance to Passenger pickup is 1.0 miles. Driver receives \$10.00 for this portion and an additional \$5.00 for the wait time for a total of \$15.00 (plus any tolls to the pickup location).

Section 3. Subdivision (g) of section 58-03 of the Rules of the City of New York is amended to read as follows:

(g) *Dispatch Fee*. The fee payable to the Driver of an Accessible Taxicab for completing a trip dispatched by the Accessible Taxi Dispatcher. The amount of the Dispatch Fee will be [\$6 for trips under .5 miles; \$10 for trips between .5 miles and 1 mile; and \$15 for all trips over 1 mile] calculated by combining:

(1) an amount compensating the Driver for the time and distance traveled to the Passenger location. This amount will be based on TLC data for the average cost of a total fare at existing Rates of Fare in one-half mile increments (up to a maximum distance of 2.5 miles), and

(2) an amount compensating the Driver for time in waiting for and assisting the Passenger into the vehicle of ten minutes at the existing Rates of Fare for time. If no Passenger appears, the Driver shall still be entitled to this amount.

The Dispatch Fee will include tolls to the pickup location[ and will also include an additional \$5 Passenger no-show fee [for wait time if the Driver waits for the passenger for more than 10 minutes after the later of either the appointed pickup time or the Driver's arrival at the pickup location (the \$5 is also payable) if [no]the [p]Passenger does not appear[s] at the pickup location within a ten minute period[]]. The Dispatch Fee will be posted on the TLC Website and the amount will be reviewed by the Chair annually or at the time of any Rate of Fare changes.

Examples: 1) Distance to Passenger pickup is 0.5 miles. TLC trip data indicates that an average fare for a 0.5 mile trip is \$5.00. Driver receives \$5.00 for this portion, and an additional \$5.00

which reflects a wait time of 10 minutes at \$0.50 per minute. Total is \$10.00 (\$5.00 and \$5.00) plus any tolls to the pickup location. 2) Distance to Passenger pickup is 1.0 miles. Driver receives \$10.00 for this portion and an additional \$5.00 for the wait time for a total of \$15.00 (plus any tolls to the pickup location).

Section 4. Subparagraph (ii) of paragraph (3) of subdivision (c) of section 58-21 of Title 35 of the Rules of the City of New York is amended to read as follows:

(ii) For all other Medallion-only Taxicabs, (including Accessible Taxicabs), is \$952 weekly, except that if the Medallion Owner must place an Accessible Taxicab into service as required under subdivisions (a) through (c) or (e) of section 58-50 of these Rules, the weekly lease for that Accessible Taxicab shall include a credit to the Driver of \$77 per week for the four year period of time required in section 58-50(f) of these Rules. This reduction is the result of the Medallion Owner's receipt of payment under section 58-50 (j)(1)(ii) of these Rules.

Section 5. Item B. of subparagraph (ii) of paragraph (4) of subdivision (c) of section 58-21 of Title 35 of the Rules of the City of New York is amended to read as follows:

B. \$1,227 weekly if the vehicle complies with the requirements of Sections 67-05.1 or 67-05.2 of these Rules, except that if the Medallion Owner must place an Accessible Taxicab into service as required under subdivisions (a) through (c) or (e) of section 58-50 of these Rules, the weekly lease for that Accessible Taxicab shall include a credit to the driver of \$77 per week for the four year period of time required in section 58-50(f) of these Rules. This reduction is the result of the Medallion Owner's receipt of payment under section 58-50 (j)(1)(ii) of these Rules.

Section 6. Paragraph (3) of subdivision (g) of section 58-21 of Title 35 of the Rules of the City of New York is amended by adding a new subparagraph (vi) to read as follows:

(vi) For leases of Medallions for which the Medallion Owner must place an Accessible Taxicab into service as required under subdivisions (a) through (c) or (e) of section 58-50 of these Rules, a credit to the Driver in the weekly payment in the amount of \$77 as a result of the Medallion Owner's receipt of payment under section 58-50 (j)(1)(ii) of these Rules.

Section 7. Section 58-50 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (j) to read as follows:

(j) *Taxi Improvement Fund Allocations.* Owners of Medallions and Drivers of Medallions who have submitted all required forms and documentation as specified by the Chairperson will receive allocations from the Taxi Improvement Fund as follows:

(1) Owners of Medallions who have placed an Accessible Taxicab into service as required under subdivisions (a) through (c) or who have assumed the accessibility requirement of another Owner under subdivision (e) of this section will receive:

(i) Hack-up Payment. A one-time subsidy payment of \$14,000. Only one payment will be allocated to each Medallion during the four years required under subdivision (f) of this section. Such a payment will be allocated to a Medallion only if the Accessible Vehicle operating on such Medallion has not previously received such a payment. This determination will be based on the Vehicle Identification Number (VIN) of the Accessible Vehicle.

(ii) Accessible Vehicle Operational Payments. A series of up to twelve (12) equal payments of \$1,333, beginning with the inspection of the Accessible Taxicab at the time of initial Hack-up, and following each Tri-Annual Inspection during the four year period as required under subdivision (f) of this section. Payments will be issued provided that the Accessible Taxicab:

- A. Meets the vehicle inspection requirements of section 58-29 of these Rules, and
- B. With the exception of the first payment following initial Hack-up, has completed a minimum of 250 Passenger trips since the previous inspection.

The operational payment amount is based on the estimated additional maintenance costs of an Accessible Taxicab and estimated lost revenue associated with the additional days the Accessible Taxicab will be off the road for the additional maintenance.

(2) Drivers of Accessible Taxicabs will receive periodically, a per-trip payment for each Passenger trip while driving an Accessible Taxicab. The per-trip payment amount will be at least 70 percent of the number obtained by dividing the estimated balance of the driver portion of the Taxicab Improvement Fund collected in the previous calendar year by the number of Accessible Taxicab trips estimated for the current calendar year. The per-trip payment amount will be posted on the TLC Web site.

(3) Allocation amounts provided for in paragraphs (1) and (2) of this subdivision will be reviewed and adjusted as provided under subdivision (h) of this section.



**NEW YORK CITY LAW DEPARTMENT  
100 CHURCH STREET  
NEW YORK, NY 10007  
212-356-4028**

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

**RULE TITLE: Allocation of Taxi Improvement Surcharge Funds**

**REFERENCE NUMBER: 2015 RG 099**

**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: August 13, 2015

**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: Allocation of Taxi Improvement Surcharge Funds**

**REFERENCE NUMBER: TLC-85**

**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 X. Navarro  
Mayor's Office of Operations

August 13, 2015  
Date