

Street Hail Livery Pilot Final Report – September 2025

Introduction and Background

The Taxi and Limousine Commission (TLC) is publishing this report to assess the overall effectiveness of the Street Hail Livery (SHL) Pilot Program, which introduced a new class of vehicles known as “Pilot SHLs.” The report analyzes driver demand for Pilot SHL permits as well as passenger demand for trips in Pilot SHLs and considers the impact of Pilot SHLs on the safety and composition of the for-hire vehicle (FHV) fleet. Finally, the report makes recommendations for the future of the Pilot SHL permits.

In 2013, TLC began issuing permits for SHLs, also known as “boro taxis” and “green cabs.” The new permits, authorized by state law and implemented through amendments to TLC’s rules, expanded the size of the TLC-licensed fleet with the goal of increasing service in northern Manhattan and the outer boroughs. While a total of 16,000 vehicle permits were authorized and several thousand were issued in the following years, by January 2022 the number of reported trips in green cabs had fallen by more than 90% compared to peak levels. With the rise of app-dispatched FHV, TLC recognized that demand for street-hailed trips in the outer boroughs was falling while the number of TLC-licensed drivers continued to grow, with many drivers opting to lease FHV on a short-term basis as vehicle licenses were not widely available. Amid these changes within industry, TLC began to explore ways to use the authorized permits to help drivers and FHV bases respond to demand across other segments of the industry.

In May 2023, TLC voted to approve a pilot program to test the introduction of a new class of “Pilot SHLs” that, compared to the originally issued permits, streamlined hack-up requirements and focused on providing pre-arranged trips in the outer boroughs. Today, Pilot SHLs are authorized to operate without the technology systems typically required for green and yellow cabs, such as a taximeter and roof lights. The pilot program also removed restrictions on vehicle color and reduced the frequency of inspections to once every two years, consistent with the inspection cycle of other FHV. To bolster the agency’s efforts to enhance the accessibility and sustainability of the TLC-licensed fleet, only electric vehicles (EVs), hybrids, and wheelchair accessible vehicles (WAVs) were eligible for the pilot.

Though the pilot made it easier and cheaper for participating drivers to license their vehicles, the permits carried operating restrictions intended to steer the pilot fleet toward segments of the market that, according to TLC’s engagement with the industry, were constrained by a lack of available vehicle licenses. Unlike traditional SHLs, Pilot SHL permits do not allow drivers to accept street hails. Further, other than when providing Access-a-Ride or Medicaid-reimbursed brokerage trips, Pilot SHL drivers cannot accept trips that start within the Pre-Arranged Exclusionary Zone, which encompasses Manhattan south of East 96th Street and West 110th Street. By establishing these operating restrictions, the pilot envisioned that participating drivers and their affiliated bases would focus on serving demand for pre-arranged trips—in vehicles without the

traditional hardware and technology systems of SHLs—in northern Manhattan and in the other four boroughs.

TLC initially approved the pilot for a two-year period. In early 2025, the agency extended the program an additional year so that pilot vehicle licenses would not expire before the pilot was evaluated.

Pilot Evaluation

The pilot resolution required that TLC evaluate the demand for Pilot SHL service by both passengers and drivers. Given the relaxed hack-up and inspection requirements on the vehicles, the resolution identified safety as another dimension of evaluation. In addition to the demand for pilot service and the impacts to safety, TLC evaluated how restrictions on the type of vehicles eligible for the pilot shaped the composition of the fleet.

Driver Demand for Pilot SHL Permits

TLC assessed driver demand for Pilot SHL permits by analyzing the number of issued permits maintained in good standing over time. The analysis revealed an attrition rate of nearly 40% over the course of the pilot among drivers who secured an SHL permit and affiliated with a base. This is more than five times higher than the attrition rate seen among FHV licenses issued over the same period and suggests relatively low driver demand for pilot permits compared to other types of vehicle licenses.

TLC paused the issuance of new unrestricted FHV licenses in 2018. Since then, the agency has made available only restricted licenses—those limited to WAVs, which have been consistently available, and those limited to EVs, which have been available periodically. However, despite these constraints on vehicle licenses, the number of TLC-licensed drivers has continued to grow. Though many have taken advantage of the WAV exception to license their own accessible vehicles, other drivers have opted to rent licensed FHV on a short-term basis from a number of rental companies. This dynamic is part of what motivated the agency to develop a pilot program to address driver demand for licenses by repurposing authorized but unused licenses.

A key measure of the pilot’s effectiveness in meeting driver demand for licenses is the number of authorized permits issued to drivers, affiliated with a base, and maintained in good standing. Initially, TLC issued 3,509 Pilot SHL permits to drivers, of whom 915 affiliated with a base willing to provide trips subject to the pilot restrictions. However, over the last two years, the number of pilot permits in good standing has fallen significantly: as of June 2025, only 563 permits are currently in use.

This significant drop in driver demand for permits—an attrition rate of nearly 40% among drivers who secured an SHL permit and affiliated with a base—suggests that the business model envisioned by the SHL pilot is of limited viability. Even with lower hack-up and inspection costs, many drivers of Pilot SHLs have determined not to continue providing pre-arranged service in the outer boroughs and northern Manhattan. Comparing attrition for Pilot SHL permits to the rate seen

among FHV licenses issued over the same period supports this observation. Of the 14,770 non-pilot FHV licenses issued since May 2023, 93% are in good standing as of June 2025.

Of the Pilot SHL permits still active today, most are attached to vehicles affiliated with larger, more established non-high-volume FHV bases, i.e. larger bases not including Uber and Lyft. Within the non-high-volume FHV industry the median 2024 trip count for the 107 bases with Pilot SHL permits attached to affiliated vehicles was over 21,000. This is compared to less than 3,000 among the 741 bases no longer or never affiliated with a pilot vehicle.

Although trip records for smaller FHV bases are commonly incomplete, data reviewed by TLC suggests that it was especially difficult for Pilot SHL drivers affiliated with smaller FHV bases to remain profitable. This may stem from the dispatching restrictions associated with the permits, including the fact that participating drivers are unable to receive trips from high-volume bases Uber and Lyft since neither company participated in the program. Compared to Pilot SHL permit holders who affiliated with larger FHV bases—many of whom have continued to operate over the course of the pilot—the lack of Uber and Lyft trips may have undermined the earning potential of drivers affiliated with smaller FHV bases since they were unable to supplement already low trip volumes with dispatches from the two high-volume companies.

Passenger Demand and Pilot SHL Trip Activity

While the Pilot SHL permits in use today make up only a small portion of all active vehicle licenses in the FHV sector, permit vehicles do perform more trips on average than the typical non-high-volume FHV. Of the Pilot SHL permits in good standing as of June 2025, the average vehicle completed 945 trips in calendar year 2024. This compares to an average of 517 for all other vehicles dispatched by non-high-volume FHV bases over the same period.

Given that more than 2,900 of the original Pilot SHL permits issued by TLC in 2023 were never active or have since been revoked or surrendered, the remaining fleet is contributing little to meeting passenger demand including within the non-high-volume FHV sector. For example, while there are still 563 Pilot SHL permits attached to vehicles providing trips, the non-high-volume FHV sector overall had over 22,400 active vehicles as of June 2025.

Impacts of Pilot SHLs on Safety

Over the course of the pilot program, TLC monitored the rate of inspection failure among vehicles with an attached Pilot SHL permit. The failure rate for initial inspection among permit vehicles was 23% as of August 2024. This rate is consistent with the 23-26% range seen among other types of FHV licenses since 2022. As such, the agency has concluded that the reduced hack-up and inspection requirements introduced through the pilot have not compromised the safety of the for-hire fleet.

Fleet Makeup

The SHL Pilot limited participation to drivers of electric, hybrid, or wheelchair accessible vehicles. Among the vehicles attached to an active Pilot SHL permit, the vast majority are hybrid

vehicles: 560 are hybrid while only two are EVs and just one is wheelchair accessible. Given that TLC has previously made exceptions to the FHV license pause for EVs and WAVs, the agency expected that drivers would take advantage of the pilot's flexibility and opt to license hybrid vehicles.

Recommendation for Pilot SHL permits

The SHL Pilot Program tested the introduction of a new class of vehicles with simplified hack-up requirements and a focus on serving pre-arranged trips. After monitoring trends in vehicle utilization and safety and evaluating industry developments over the last two years, the agency is proposing that the Commission adopt rules to make the SHL Pilot permanent for those drivers who participated and allow licenses issued under the pilot to expire when the vehicle is no longer affiliated with a base or when the vehicle owner fails to renew the license. By making the SHL Pilot permanent for those permit holders who are still performing trips, the agency will ensure they can continue to play a role in meeting demand for service from non-high-volume FHV bases.