

## NOTICE

The New York City Department of Transportation (“DOT”) has recently made a number of amendments to the permit bond rules delineated in 34 RCNY §2-02. An additional amendment to the permit rule is in the process of being enacted which will distinguish the requirements of a permit bond for DOT street opening and excavation permits as compared with other DOT permits. In addition, to accommodate an orderly transition for the permittees and the surety industry to the bond requirements, DOT lowered the penal amounts for the required permit bonds until July 1, 2008. In furtherance of this accommodation, DOT is requiring that all permittees comply with the following, which DOT will seek to adopt as an amendment to 34 RCNY §2-02 (a)(4):

- (i) A permit bond shall be submitted by all permittees to the permit office at the time of permit issuance to cover all costs and expenses that may be incurred by the City as a result of the activity for which the permit is issued or for the purpose of otherwise safeguarding the interests of the City. The permit bond shall be in the form prescribed by the Department. Such permit bonds described above shall cover all permitted activities, including, but not limited to, street excavations and obstructions.
- (ii) For a permit bond submitted for the purpose of performing street openings and excavations pursuant to 34 RCNY §2-11, such permit bond shall be submitted in the amount of \$10,000.00 for a single location within the City of New York per calendar year, \$25,000.00 for two to fifty locations within the City of New York per calendar year, and \$50,000.00 for fifty-one to one hundred locations within the City of New York per calendar year. Permittees who are issued permits for more than one hundred locations within the City of New York per calendar year shall submit a permit bond in the amount of \$100,000.00.
- (iii) Effective July 1, 2008, for a permit bond submitted pursuant to paragraph (ii) above, such permit bond shall be submitted in the amount of \$10,000.00 for a single location within the City of New York per calendar year, \$50,000.00 for two to fifty locations within the City of New York per calendar year, and \$100,000.00 for fifty-one to one hundred locations within the City of New York per calendar year. Permittees who are issued permits for more than one hundred locations per calendar year shall submit a permit bond in the amount of \$250,000.00.
- (iv) For all other permits, with the exception of sidewalk construction permits, such permit bond shall be submitted in the amount of \$5,000 for a single location within the City of New York per calendar year, or in the amount of \$25,000 for multiple locations within the City of New York per calendar year. In the event that a permittee will also secure street opening and excavation permits within the City of New York during the calendar year, the permittee’s compliance with paragraph (ii), or paragraph (iii) effective July 1, 2008, above shall be sufficient to demonstrate compliance with DOT’s requirements set forth herein.

All permittees are required to utilize the new standard permit bond form, as set forth in 34 RCNY § 2-02. In order to accommodate an orderly transition for the permittees and the surety companies, the date to comply with the requirements above has been established as August 1, 2007. All existing permittees who do not comply with the above by August 1, 2007 may be subject to suspension of DOT’s review of applications for permits, revocation by DOT of any and all existing permits, refusal by DOT to renew permits, or refusal by DOT to issue any new permits.