Current Lease Cap Rule and Practice: Industry Impacts

Current Rules

• TLC Rules require 12-hour shifts and set maximum lease rates (lease caps) for each shift.

Challenges

• Today drivers report traveling back and forth to Manhattan during times of high passenger demand when rush hour surcharge is in effect.
• Lessors expressed frustration related to shift structures that do not capture the high-demand evening rush hours.
Current Shift Change Practice: Passenger Impacts

Low Occupancy Despite High Demand: Trip data indicate a significant dip in available taxicabs from 4 pm to 6 pm when drivers are changing shifts.
Fare Share Pilot Purpose

Provide more flexibility

- Optimized shift times to increase driver income
- Increased flexibility in leasing arrangements for lessors
- Increased taxicab availability during the evening rush
Fare Share Split

- Drivers keep 65% of farebox
- Drivers keep 100% of tips
- Owner percentage includes lease cost and credit card surcharge
A fare-split of 35/65 was determined by dividing average lease caps by average farebox revenues.

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Lease Cap per Shift:</td>
<td>$126 (incl. credit card surcharge)</td>
</tr>
<tr>
<td>Average Farebox per Shift:</td>
<td>$356</td>
</tr>
<tr>
<td>Lease Cap % of Farebox</td>
<td>35%</td>
</tr>
<tr>
<td>Lessor Benefits</td>
<td>Driver Benefits</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>• Ability to offer shifts drivers want;</td>
<td>• Ability to drive a taxicab without risk they will be unable to make their lease payment on slow days;</td>
</tr>
<tr>
<td>• Ability to offer taxicabs to drivers during times of high passenger demand; and</td>
<td>• Improved shift times;</td>
</tr>
<tr>
<td>• Ability to attract drivers with low-risk leases.</td>
<td>• Improved shift change operations; and</td>
</tr>
<tr>
<td></td>
<td>• Increased number of fares during peak time.</td>
</tr>
</tbody>
</table>
Pilot Participation and Criteria

Open to anyone who leases a taxicab on a daily or weekly basis

Criteria for Evaluation

• Driver and lessor satisfaction;
• Changes in the number of completed shifts each day;
• Taxicab availability by time of day; and
• Changes to time needed to complete shift change.
Questions?