

NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

Notice of Promulgation of Rules

Notice is hereby given in accordance with section 1043(b) of the Charter of the City of New York (“Charter”) that the Taxi and Limousine Commission (“TLC”) promulgates rules which amend existing rules relating to the Taxi Improvement Fund, the Accessible Taxicab Dispatch Fee, and the Leases for certain Accessible taxicabs placed into service.

These rules are promulgated pursuant to Sections 1043 and 2303 of the Charter and Section 19-503 of the Administrative Code of the City of New York.

These rules were published on August 18, 2015, for public comment in the City Record. On September 17, 2015 a public hearing was held by the TLC at its offices at 33 Beaver Street, 19th Floor, New York, New York 10004 and the rules were adopted by the Commission at a public meeting held on October 15, 2015. Pursuant to section 1043(e)(1)(c) of the Charter, these rules will take effect 30 days after publication.

Statement of Basis and Purpose

These rules amend the TLC’s 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. These rules also provide for the distribution of a portion of the Taxi Improvement Fund to drivers of accessible taxicabs, and modify the lease rate for accessible taxicabs placed into service under §58-50 of the TLC Rules. Additionally, these rules amend 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 rules:

- Establish 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.

Based on written comments submitted to TLC and testimony at the public hearing, and in an effort to ensure the success of the accessible vehicle programs, owners of the Accessible Medallions that were originally issued as Accessible Medallions will also receive a portion of the Taxi Improvement Fund proceeds. Since owners of unrestricted medallions will receive payments from the Taxicab Improvement Fund for placing accessible vehicles into service on an alternating cycle under §58-50 of the TLC Rules, Accessible Medallion owners will also receive payments from the Fund for vehicles placed into service on an alternating cycle, beginning with the next vehicle they place into service following the adoption of these Rules.

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 rules provide 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.

- Amend 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.
- Amend 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:

Distance Travelled to Customer’s Pickup Location	Existing Dispatch Fee Schedule	Proposed Dispatch Fee Schedule
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, or is currently receiving payments under section 58-50 (j)(2) 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 sections 58-50 (j)(1)(ii) and (j)(2) 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. \$952 weekly for the lease of the Medallion, if the vehicle complies with the requirements of Sections 67-05.1 or 67-05.2 of these Rules, plus \$275 weekly for the portion of the lease covering the conditional purchase of the vehicle, 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, or is currently receiving payments under section 58-50 (j)(2) 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 sections 58-50 (j)(1)(ii) and (j)(2) of these Rules.

Section 6. Subparagraph (vi) of 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 item E. to read as follows:

E. 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 or is currently receiving payments under section 58-50(j)(2) 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.
- C. Was logged onto the Accessible Taxi Dispatcher system through the Dispatch Equipment while in operation during the period 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) Owners of Accessible Medallions who are not covered by the conversion provisions of this section 58-50 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 for the next vehicle the Owner must hack up for use with that Medallion. Thereafter, an Owner will be eligible for payments for vehicles hacked up on an alternating basis for use with that Medallion (that is, every other vehicle used with such Medallion will NOT be eligible for a payment under this paragraph). 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. For vehicle cycles in which the Owner is eligible for a hack-up payment pursuant to subparagraph (i) of this paragraph (but NOT for vehicle cycles for which an Owner is NOT eligible for a hack-up payment pursuant to subparagraph (i) of this paragraph), a series of up to twelve (12) equal payments of \$1,333, beginning with the inspection of the Accessible Taxicab in use with that Medallion at the time of initial Hack-up, and following each Tri-Annual Inspection during the four year period as provided under subdivision (f) of this section. Payments will be issued only if 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.
- C. Was logged onto the Accessible Taxi Dispatcher system through the Dispatch Equipment while in operation during the period since the previous inspection.

(3) 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.

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