

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 (“TLC”, “the Commission”) is proposing the Green Rides Initiative, which aims to increase the number of zero emission vehicles and wheelchair accessible vehicles in the high-volume for-hire fleets.

When and where is the Hearing? TLC will hold a public hearing on the proposed rule. The public hearing will take place at 10:00 am on September 20, 2023. The public hearing will be held online using Zoom. There will be no in person public hearing. The public hearing will be livestreamed on TLC’s website at www.nyc.gov/tlc. To participate in the public hearing, please e-mail the TLC at tlcrules@tlc.nyc.gov or call TLC at 212-676-1135 by 5:00pm on September 19, 2023. After you have signed up to speak, TLC will provide you with a Zoom URL to enter in on your computer or dial-in via phone number if you prefer to call in.

How do I comment on the proposed rules? Anyone can comment on the proposed rules by:

- **Website.** You can submit comments to the Taxi and Limousine Commission through the NYC rules website at www.nyc.gov/nycrules.
- **Email.** You can email comments to tlcrules@tlc.nyc.gov.
- **Mail.** You can mail comments to the Taxi and Limousine Commission, Office of Legal Affairs, 33 Beaver Street – 22nd Floor, New York, NY 10004.
- **Fax.** You can fax comments to the TLC at 212-676-1102.
- **By speaking at the hearing.** Anyone who wants to comment on the proposed rule at the public hearing must sign up to speak. You can sign up before the hearing by calling 212-676-1135. You can speak for up to three minutes.

Is there a deadline to submit written comments? Yes, you must submit written comments by September 19, 2023.

Do you need assistance to participate in the Hearing? 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 September 13, 2023. This location has the following accessibility option(s) available: Simultaneous transcription for people who are deaf or hard of hearing and audio only access.

Can I review the comments made on the proposed rules? You can review the comments made online on the proposed rules by going to the website at www.nyc.gov/nycrules. A few days after the hearing, copies of all comments submitted online, copies of all written comments, and a

summary of oral comments concerning the proposed rule 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 Sections 19-503 of the New York City Administrative Code authorize the Commission to make this proposed rule.

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? TLC 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 of the City Charter.

Statement of Basis and Purpose

Background

The Green Rides Initiative will require high-volume for-hire services (HVFHSs), a license category that currently includes Uber and Lyft, to have fleets comprised entirely of either zero-emission vehicles (ZEVs),¹ including electric vehicles (EVs), or wheelchair accessible vehicles (WAVs) in New York City by 2030. This goal aligns with Uber and Lyft's publicly announced commitments to transition to an all-electric fleet by 2030 while also continuing to ensure widespread access to WAVs.²

The Green Rides Initiative will affect only the HVFHS industry by requiring a certain percentage of trips dispatched by those services to be either in a ZEV or a WAV. As explained in greater detail below, it will not affect TLC's existing rules requiring the for-hire industry to provide widespread access to WAVs by meeting either the percentage benchmarks under §59B-17(c) or the wait-time requirements under §59B-17(f).

TLC is committed to and will continue to ensure accessible for-hire service. Increasing the number of, and passenger access to, WAVs on New York City roads continues to be a TLC priority. Increasing the number of ZEVs on the road must not come at the expense of accessible service and, as such, HVFHS drivers will continue to have the option to drive a WAV under these proposed rules.

A transition to EVs forms an important part of the City's efforts to improve air quality. Exposure to fine particulate matter produced by internal combustion engines has been linked to various health issues and can lead to hospital admissions and premature death. According to agency estimates, TLC-licensed vehicles account for four percent of the City's transportation emissions.³ TLC's adoption of the Green Rides Initiative will allow for the rapid adoption of modern vehicle

¹ The term 'zero-emission vehicle' and 'electric vehicle' will be used interchangeably throughout this Statement of Basis and Purpose. Electric vehicles are currently the most common type of zero-emission vehicle.

² See <https://www.uber.com/us/en/about/sustainability/> and <https://www.lyft.com/impact/electric>.

³ https://www.nyc.gov/assets/tlc/downloads/pdf/Charged_Up!_TLC_Electrification_Report-2022.pdf

technology and will help spur private and public investment in charging infrastructure, with significant environmental benefits for the City.

TLC recognizes that this initiative will depend on several external factors as explained in greater detail below. TLC will monitor the ever-changing for-hire vehicle (FHV) industry and adjust the requirements when appropriate.

In developing the standards set forth in this proposed rule, TLC has carefully considered the availability of EVs – including the market for used EVs – and affordability of such vehicles, as described in greater detail below.

Current State of Electrification in New York

As automobile manufacturers prepare for an electric future, many new, reliable, and affordable EVs will enter the market, and with this growth, an ample market for affordable used vehicles is expected to develop. New York State will require all new passenger cars, pickup trucks, and SUVs sold in New York State to be zero emission vehicles by 2035,⁴ ensuring both a robust new and used market for EVs in New York.

Acknowledging the cost of converting to EVs, New York State currently offers the Drive Clean rebate through the New York State Energy Research & Development Authority (NYSERDA)⁵ for new EV purchases, and both public agencies and private utility companies offer subsidies and incentives for the installation and use of home and public charging. The New York State Drive Clean rebate can also be combined with the tax credits received from the federal Inflation Reduction Act,⁶ which provides tax credits for either the purchase of a qualifying new EV or the purchase of a used EV from an eligible buyer of a qualified, previously owned EV. The federal Inflation Reduction Act also provides a tax credit for those who install a home EV charger. Significant growth in the EV market will allow for more new and used vehicle options for drivers generally, including for TLC-licensed drivers, as well as support New York’s rapidly growing charging infrastructure. Currently, New York City has approximately 200 Direct Current-Fast Charging (DCFC) plugs and 1,000 Level 2 plugs that are available to the public.⁷ The New York City Department of Transportation and private firms plan to rapidly expand New York’s charging infrastructure to meet the demands of a larger electric fleet.⁸

In the U.S., new EVs currently represent about 5.6 percent of new vehicle sales. While new EVs in New York State in early 2023 represented about 1.6 percent of new vehicles sales, the market has grown rapidly in the past few years, roughly doubling each year. In addition to the expected growth of the EV sales market, starting in 2026 New York State will impose EV sales mandates

⁴ 6 NYCRR 218-4.1

⁵ <https://www.nyserda.ny.gov/All-Programs/Drive-Clean-Rebate-For-Electric-Cars-Program/How-it-Works>

⁶ <https://www.nyserda.ny.gov/All-Programs/Inflation-Reduction-Act/Vehicles>

⁷ https://afdc.energy.gov/fuels/electricity_locations.html#/analyze?fuel=ELEC

⁸ See: DOT’s “[Electrifying New York: An Electric Vehicle Vision Plan for New York City](#)” and Revel’s plans for expansion of charging sites in NYC, linked [HERE](#)

for new passenger vehicle sales, beginning with 35 percent in 2026, hitting 68 percent in 2030, and 100 percent in 2035.⁹

Green Rides Initiative

In these proposed rules, TLC sets benchmarks for the percentage of trips that HVFHSs must dispatch to ZEVs or WAVs each year, with the eventual goal of 100 percent of trips dispatched to ZEVs or WAVs by 2030. TLC will work with HVFHSs, charging infrastructure companies, vehicles manufacturers, partner city agencies, and other stakeholders to ensure that this transition is successful.

The dispatch target for each calendar year will be measured by the number of trips completed by ZEVs or WAVs divided by the total number of trips completed. TLC determined that the basis for the policy would be the percentage of trips conducted in a ZEV or WAV rather than other metrics such as vehicle miles traveled (VMT) for several reasons.

First, compared to other markets, New York City's HVFHS driver population is comprised significantly of full-time drivers who perform a similar number of trips of similar mileage. Additionally, New York City is geographically dense so there is relatively little variation in trip distance among drivers in New York City.

Second, TLC already has a robust data reporting and compliance system for trip records, which has been in place for FHV bases since 2015, but has no such system for the reporting of VMT while not on a trip (i.e., distance travelled without a passenger, including cruising for a passenger or en route to a passenger). Given that trip distances have relatively little variation in New York City, and that trip volumes are more standard across drivers in New York City than in other locations, TLC will be able to seamlessly and quickly implement an effective policy based on the data it currently collects. Establishing a miles-based standard in New York City would require an onerous change in data collection and reporting without providing additional policy benefits.

Finally, and relatedly, TLC and its FHV licensees have experience in TLC's FHV wheelchair accessibility rules a trip-based requirement with percentage benchmarks that increase over time. Modeling some specifics of the Green Rides Initiative after an existing and successful TLC program will facilitate its implementation and assist the high-volume services in their compliance efforts.

As stated earlier, in order to continue to promote accessibility in the high-volume industry, trips performed by WAVs will count toward the percentage targets in these proposed rules. Importantly, the Green Rides Initiative does not change TLC's existing FHV accessibility rules.¹⁰ Including WAVs into the percentage will ensure New York City's high-volume fleet continues to become

⁹ governor.ny.gov/news/governor-hochul-drives-forward-new-yorks-transition-clean-transportation and *see* 6 NYCRR 218-4.1

¹⁰ *See* 35 RCNY 59B-17(c) and (f).

more accessible and protective of New Yorkers’ health, while giving drivers who drive for the HVFHSs the option to drive either an EV or a WAV.

$$\frac{\text{Total number of trips completed by ZEVs} + \text{Total number of trips completed by WAVs}}{\text{Total number of trips completed}} = \% \text{ compliant trips}$$

TLC proposes a gradual increase in the high-volume for-hire trips to be completed by ZEVs and WAVs, starting at five percent in 2024, then increasing the target to 15 percent in 2025, 25 percent in 2026, 40 percent in 2027, 60 percent in 2028, 80 percent in 2029, and 100 percent in 2030.

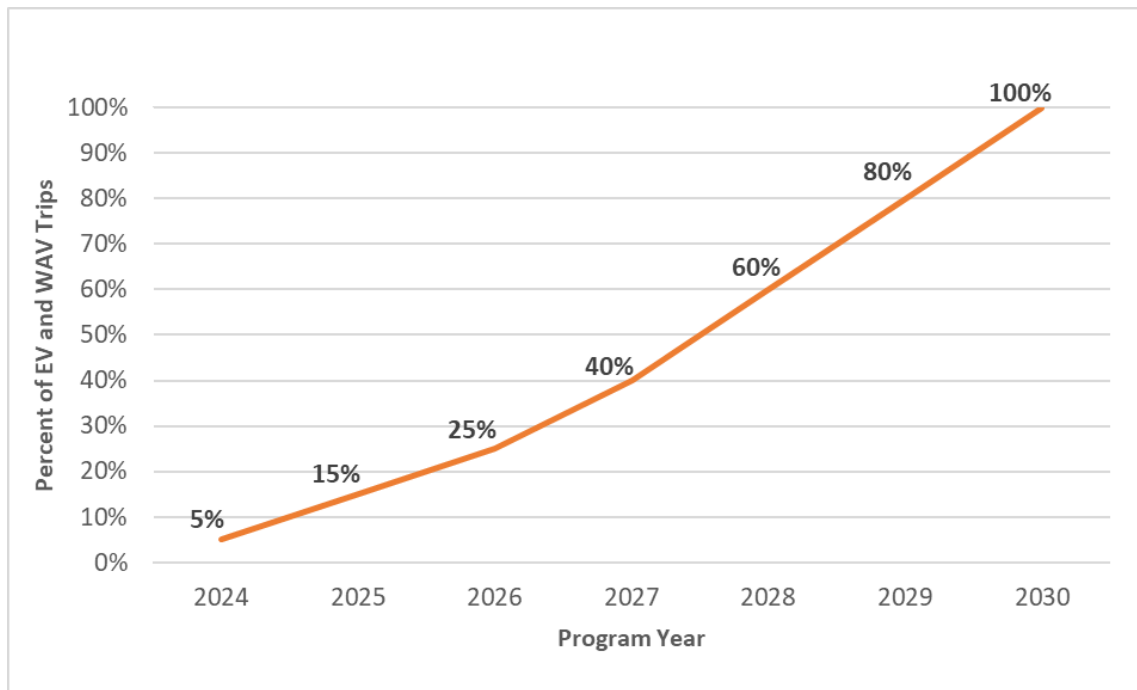


Figure 1: Benchmarks for 100% EV and WAV trips by 2030

Projected Growth of Electric Vehicles in the For-Hire Fleet

The growth of zero-emission high-volume for-hire trips in the coming years will mainly come from electrifying the high-volume for-hire fleet in three ways: 1) after extensive usage, owners of existing TLC-licensed non-ZEVs will replace their vehicles with EVs, 2) vehicle owners will choose to replace their non-ZEVs with EVs earlier than necessary because of the benefits of EV ownership, and 3) new EVs will enter the for-hire fleet from TLC-issued EV-only vehicle licenses.

Based on an analysis of TLC vehicle inspection data, the overwhelming majority of the TLC-licensed HVFHS non-WAV fleet ranges from one to seven years in usage after their first inspection with TLC. Only a small portion of non-WAVs are in use for longer than seven years. Therefore, vehicles tend to exit or “retire” from the for-hire market after seven years of driving. Each year, a new group of vehicles will enter their eighth year and likely exit the fleet, opening the door for ZEVs to replace vehicles that are leaving.

Incentives for Electric Vehicles

New York has several incentives in place that support ZEV adoption. These include incentives for vehicle acquisition, reduced tolling, and charging infrastructure. For any driver in New York City, the Drive Clean Rebate program offers up to \$2,000 for new EV purchases.¹¹ Additionally, the Federal Tax Credit offers up to \$7,500 in tax credit for purchasing EVs.¹² Currently, TLC-licensed drivers of EVs receive a 15 percent discount in charging cost at publicly accessible city-owned charging stations.

Price Parity between Electric and ICE Vehicles

Currently, the upfront cost of an EV tends to be higher than that of a comparable internal combustion engine (ICE) vehicle, which presents a barrier for EV expansion. Based on estimates from the International Council on Clean Transportation’s study of EV costs,¹³ TLC predicts that price parity between EVs and ICE vehicles will occur around 2027. Once price parity between EV and ICE vehicles is reached, the existing price barrier will disappear, making TLC-licensed FHV drivers more likely to purchase an EV than they are today. With the upfront cost of purchasing an EV no longer present as a financial barrier, along with lower maintenance and charging costs associated with EVs, EVs will become more financially viable than ICE vehicles and allow for-hire vehicle drivers to access greater savings over time. As such, the benchmarks set by these proposed rules accelerate starting in 2027.

Issuance of New EV Licenses

From August 2019 to June 2021, EVs were exempt from TLC’s moratorium on the issuance of new FHV licenses. WAVs have always been exempt from the moratorium and will continue to be exempt. TLC data shows that most of the EVs active today joined the fleet either (a) during the period when the EV exemption was in place, or (b) when TLC released 1,000 EV-only licenses in 2023, 600 of which were reserved exclusively for existing drivers and all of which were claimed within minutes of their release.¹⁴ TLC will continue to evaluate the license moratorium and determine whether additional licenses are needed to spur electrification in the FHV fleet.

¹¹ <https://www.nyserda.ny.gov/All-Programs/Drive-Clean-Rebate-For-Electric-Cars-Program>

¹² <https://www.irs.gov/credits-deductions/credits-for-new-clean-vehicles-purchased-in-2023-or-after>

¹³ See: “[Update on electric vehicle costs in the United States through 2030](#)”, ICCT Working Paper

¹⁴ <https://www.nyc.gov/assets/tlc/downloads/pdf/license-pause-report-2022-08.pdf>

WAVs

As stated above, the Green Rides Initiative will not interfere with or change TLC’s WAV requirements. Increasing access to TLC’s fleet is an important step to make New York City a place that is truly accessible to all our residents and visitors, including those who use wheelchairs. In 2014, TLC created a framework to introduce wheelchair accessible green and yellow taxis into the City’s fleet over time. To reach the FHV sector, TLC promulgated an accessible service requirement that would put wheelchair accessible for-hire vehicles in circulation and available for passengers who need them.

Specifically, TLC rules §59B-17(c) and (f) require all FHV bases to either dispatch 25% of their trips in WAVs or meet strict response time requirements for requests for WAVs. These requirements have increased the number of WAV FHVs from almost zero to over 5,000 since the onset of the program. Additionally, the number of requests for and number of trips completed by a WAV FHV have grown dramatically each year following the requirements. Mandating the use of WAVs has led to an increase in accessible service in the City and incorporating trips performed by WAVs into the Green Rides Initiative will ensure the City remains accessible while it also works toward its important air quality improvements.

Forecasting EV Growth among TLC FHVs

For 100% of trips dispatched by HVFHSs to be completed by ZEVs or WAVs by 2030, there must be a path by which non-accessible or ICE FHVs gradually convert to EVs or WAVs in line with the benchmarks established by these proposed rules. In mapping out the path for conversion to EVs, TLC has used the following assumptions and relied on the following data for existing and projected EV sales:

- ICE vehicles that reach the end of their lifecycle—based on TLC data, after about seven years of use—and need to be replaced. TLC anticipates that these vehicles will be replaced by EVs at an increasing rate from now until 2030;
- Some ICE vehicles are replaced before the typical seven-year lifecycle due to high mileage, driver preference, or other factors. To account for this, TLC projects a conversion rate for these “early retirement” vehicles from ICE to EV.¹⁵ This conversion rate will be lower than the retired vehicle conversion rate but will also increase from now until 2030;
- These estimations assume a static total FHV fleet size, and do not account for attrition or new vehicle licenses; and
- From 2024 to 2026, the rate at which EVs will replace ICE vehicles in the FHV fleet will reflect the trends and regulatory requirements in New York State EV sales as outlined above.

¹⁵ California’s Clean Miles Standard also identifies high-mileage drivers as candidates for early adoption.

	Anticipated Retired ICE FHV's replaced by EVs	Anticipated Other ICE FHV's replaced by EVs (early retirement)	Benchmark for ZEV or WAV trips dispatched by HVFHSs
2024	5%	2%	5%
2025	10%	4%	15%
2026	30%	5%	25%
2027	40%	15%	40%
2028	60%	30%	60%
2029	80%	50%	80%
2030	100%	100%	100%

Accordingly, this proposed rule furthers the City’s dual goals of improving air quality within the City and ensuring that accessible transportation service remains amply available within the high-volume for-hire vehicle fleets. The TLC is excited to contribute to improving air quality for New Yorkers while at the same time, continuing to promote and guarantee accessibility.

As stated earlier, TLC will continue to monitor the ever-changing industry, including the impact of the issuance of new vehicle licenses, and will make adjustments as appropriate.

TLC’s authority for these rules is found in section 2303 of the New York City Charter and section 19-503 of the New York City Administrative Code.

New material is underlined.
[Deleted material is in brackets.]

Section 1. Section 51-03 of Title 35 of the Rules of the City of New York is amended by adding the following new definition, in alphabetical order:

Zero-Emission Vehicle is a vehicle that produces no direct exhaust or tailpipe emissions and includes, but is not limited to, battery electric vehicles and hydrogen fuel-cell electric vehicles.

Section 2. Section 59D-05 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (f), to read as follows:

(f) High-Volume For-Hire Services must comply with the requirements set forth in subdivision (c) of §59D-13.

Section 3. Section 59D-13 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (c), to read as follows:

(c) Vehicle requirements. Each High-Volume For-Hire Service must dispatch to vehicles in accordance with the following:

(1) In the following years, each High-Volume For-Hire Service must dispatch at least the following percentages of trips to a Zero-Emission Vehicle or an Accessible Vehicle:

- (i) 2024: five percent (5%).
- (ii) 2025: fifteen percent (15%).
- (iii) 2026: twenty-five percent (25%).
- (iv) 2027: forty percent (40%).
- (v) 2028: sixty percent (60%).
- (vi) 2029: eighty percent (80%).
- (vii) 2030: one-hundred percent (100%).

(2) The above percentages will be calculated by adding the number of trips dispatched to, and completed by, a Zero-Emission Vehicle or Accessible Vehicle during the calendar year by the High-Volume For-Hire Service, and dividing the sum by the total number of trips dispatched by the High-Volume For-Hire Service in that calendar year.

<p><u>§59D-13(c)(1)</u></p>	<p><u>Fine: \$50 for each 1,000 trips below the percentage requirement in that calendar year.</u></p> <p><u>If a High-Volume For-Hire Service does not fulfill the requirement in a calendar year, the High-Volume For-Hire Service must file a corrective action plan for approval by the Commission. The corrective action plan must outline the steps the High-Volume For-Hire Service will take to meet its percentage requirements.</u></p>	<p><u>Appearance REQUIRED</u></p>
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- (3) Nothing in this subdivision shall be construed to alter the requirements of subdivision c of section 59B-17 of title 35 of the rules of the city of New York or subdivision f of such section.

Section 4. Paragraph (1) of subdivision (a) of section 59D-14 of Title 35 of the Rules of the City of New York is amended to read as follows:

- (a) *Required Information.* A High-Volume For-Hire Service must collect and transmit on a bi-weekly basis to the Commission, in a format, layout and procedure prescribed by the Commission, the following records:
- (1) With respect to all trips the High-Volume For-Hire Service dispatches:
- (i) The date, the time, and the location of the Passenger pickup and drop-off
 - (ii) The Driver's TLC Driver License number
 - (iii) The dispatched Vehicle's License number
 - (iv) The TLC License number of the For-Hire Base that dispatched the Vehicle
 - (v) The total number of passengers picked up and dropped off
 - (vi) The total trip mileage
 - (vii) The date and time the Passenger requested the trip
 - (viii) The itemized fare for the trip including the amount of the fare, any toll, surcharge, commission rate, other deduction and any gratuity and a breakdown of the amount such passenger paid for the trip
 - (ix) The payment the Driver received for the trip or the Driver's hourly paid rate
 - (x) If the trip enters the Congestion Zone but the pick-up did not occur in the Congestion Zone, the date, time, and location (latitude, longitude, and human-readable street address) of the point at which the vehicle entered the Congestion Zone and, if applicable, the date, time, and location (latitude, longitude, and human-readable street address) of the point at which the vehicle exited the Congestion Zone, and
 - (xi) An indicator as to whether the trip was administered as part of the MTA's Access-A-Ride program
 - (xii) The Vehicle's VIN.

Section 5. Subdivision (b) of Section 59D-19 of Title 35 of the Rules of the City of New York is amended to read as follows:

- (b) *Corrective Action Plan.* A High-Volume For-Hire Service must comply with any corrective action plan approved by the Commission pursuant to Section 59D-05(c)(1) and Section 59D-13(c) of these Rules.

§59D-19(b)	Fine: \$500 and suspension up to 30 days	Appearance REQUIRED
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**NEW YORK CITY LAW DEPARTMENT
DIVISION OF LEGAL COUNSEL
100 CHURCH STREET
NEW YORK, NY 10007
212-356-4028**

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

RULE TITLE: Annual Percentage Requirements for Electric and Wheelchair Accessible Vehicles Used by High Volume For Hire Services

REFERENCE NUMBER: 2023 RG 011

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
Senior Counsel

Date: August 7, 2023

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS
253 BROADWAY, 10th FLOOR
NEW YORK, NY 10007
212-788-1400**

**CERTIFICATION / ANALYSIS
PURSUANT TO CHARTER SECTION 1043(d)**

RULE TITLE: Annual Percentage Requirements for Electric and Wheelchair Accessible Vehicles Used by High Volume For Hire Services

REFERENCE NUMBER: TLC-138

RULEMAKING AGENCY: Taxi and Limousine Commission

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 a cure period would defeat the purpose of the rule.

/s/ Francisco X. Navarro
Mayor's Office of Operations

August 8, 2023
Date