

February 2024 For-Hire Vehicle License Review

Report and Determination

Introduction

This review by the New York City Taxi and Limousine Commission (TLC) of for-hire vehicle (FHV) licenses is conducted pursuant to TLC Rule § 59A-06(a)(1) for the period of February 2023 through January 2024. TLC has conducted periodic reviews pursuant to this rule since August 2020.¹

Local Law 147 of 2018 paused the issuance of new FHV licenses for one year with an exception for wheelchair accessible vehicles (WAVs).² Local Law 147 directed TLC, in conjunction with the City Department of Transportation (DOT), to study driver income, the extent to which FHVs contributed to traffic congestion, traffic safety, vehicle utilization rates, access to for-hire service in different areas of the city, driver availability, and any other topics deemed appropriate. The law also gave TLC the authority to regulate the number of FHV licenses.

In August 2019, following a report by TLC and DOT,³ TLC adopted rules⁴ to implement the report's recommendations, including by continuing the pause on new vehicle licenses, maintaining the WAV exception, and adding an exception for electric vehicles (EVs) to meet "ambitious carbon-reduction targets" and "spur the creation of high-capacity, private-sector provided charging infrastructure."⁵ These rules also require TLC to review whether additional FHV licenses should be issued—at the time every six months, now every year—based on congestion, driver pay, license attrition, outer-borough service, and any other information it deems relevant in making its determination. In June 2021, TLC amended its rules to remove the EV exception and add the availability and demand for EVs and the availability of EV charging infrastructure to the list of factors that TLC must consider in its review, so that TLC's periodic studies could better inform determinations about EV FHV licensing.⁶ Through the August 2022 License Review, TLC decided to issue 1,000 new licenses for EVs. In January 2023, TLC amended its rules to set eligibility standards for these 1,000 new licenses, which were made available in March 2023.⁷

In October 2023, TLC published its February 2023 License Review, which concluded that the FHV industry could absorb new EV-only licenses without undermining the gains to congestion reduction, driver pay, and service quality achieved by the license pause.⁸ On October 19, 2023, TLC began accepting applications for EV-only licenses through its standard application process as it had done between 2019 and 2021. In November 2023 a lawsuit seeking a temporary restraining order and preliminary injunction on TLC's decision to open applications for EV-restricted licenses was filed against TLC in the New York

¹ All previous License Reviews are available on the TLC website at <https://www.nyc.gov/site/tlc/about/industry-reports.page>.

² Portions of Local Law 147 of 2018 are codified as New York City Administrative Code § 19-550.

³ New York City Taxi and Limousine Commission and Department of Transportation, *Improving Efficiency and Managing Growth in New York's For-Hire Vehicle Sector*, June 2019, available at https://www1.nyc.gov/assets/tlc/downloads/pdf/fhv_congestion_study_report.pdf.

⁴ The rules adopted in August 2019 are available at https://www1.nyc.gov/assets/tlc/downloads/pdf/proposed_rules_hvfhs_cruising_08_07.pdf.

⁵ Supra note 3, p. 4.

⁶ <https://www.nyc.gov/assets/tlc/downloads/pdf/notice-of-promulgation-of-vote-06-22-2021.pdf>

⁷ https://www.nyc.gov/assets/tlc/downloads/pdf/FHV_EV_Restricted_License_Adopted_Rule_01_25_23.pdf

⁸ <https://www.nyc.gov/assets/tlc/downloads/pdf/license-pause-report-2023-02.pdf>



State Supreme Court.⁹ On November 8, 2023, the Court issued a temporary restraining order that ordered TLC to stop accepting new EV FHV applications after November 13 at 9:00 a.m., and permitted TLC to process any applications received before the cutoff. In the days between the Court’s decision and TLC’s closing of applications, TLC received thousands of applications for new EV-only FHV licenses—the rush for licenses brought about by the lawsuit resulted in a much more rapid expansion of EVs in the FHV fleet than TLC had anticipated when conducting its license review. As of February 2024, the applications for EV-only licenses remain closed pending further judicial action, but interested parties may still apply for WAV-restricted FHV licenses. TLC continues working to facilitate the electrification of the FHV fleet and stimulate investment in charging infrastructure to serve the growing ranks of professional EV drivers as well as the broader public.

This review analyzes data relating to all segments of the FHV industry: high-volume for-hire services (HVs)¹⁰ as well as livery, black car, and luxury limousine bases. Because bases that are not HVs submit their data with a longer time lag than HVs, data in this report relating to the entirety of FHV trips is through December 2023.

Analysis

Trip Volume, Vehicle Supply, and Vehicle Attrition

As TLC has detailed in previous reports, including several previous FHV License Reviews, FHV trips have steadily increased since the pandemic’s nadir in April 2020. As of December 2023, HV trips have reached 92% of December 2019 levels while non-HV FHV trips are at 69% of pre-pandemic volume. Year-over-year growth in HV trips has slowed compared to the initial surge in demand seen over the last few years as pandemic-era restrictions were lifted. As shown in the table below, between December 2022 and December 2023, the number of HV trips increased by 4.4% and non-HV FHV trips by 7.2%. These modest rates of growth may reflect a leveling-off of demand as travel behavior and economic activity stabilize.

	<u>December 2022</u>	<u>December 2023</u>	<u>Percent growth</u>
<u>High-volume FHV trips</u>	19,665,749	20,516,172	4.3%
<u>Non-high-volume FHV trips</u>	1,282,439	1,374,478	7.2%
<u>All FHV trips</u>	20,948,188	21,890,650	4.5%

For most of the period covered by this License Review, the number of newly licensed FHVs remained relatively stable—the first three-quarters of the year saw the steady issuance of new WAV licenses, as well as a smaller number of EV-only licenses due to the 1,000 made available under a previous License Review. The issuance of new licenses increased markedly with the opening and subsequent closure of EV-restricted licenses. From February 2023 to February 2024, the number of licensed FHVs in good standing rose from 95,396 to 107,636. This new total includes the 12,564 new licenses issued in the past year, of which more than 7,800 are new EV-only licenses. Although this growth far outpaces recent License Review periods, the total number of licensed FHVs remains lower than the 120,126 FHVs that were licensed when TLC decided to extend the moratorium in August 2019. Of this total set of licensed FHVs, however, a considerable percentage are not performing FHV trips: more than 14,000 FHVs did not

⁹ https://iapps.courts.state.ny.us/nyscef/CaseDetails?docketId=gfTYx_PLUS_UIRF3mOL5iQ1nK6w==

¹⁰ Two companies are currently licensed by TLC as HVs: Lyft and Uber.

complete a trip from February 2023 through December 2023, indicating that a substantial share of vehicle inactivity is not short term.

From February 2023 through January 2024, 12,564 new FHV licenses (i.e., not renewal licenses) were issued by TLC, while 2,821 licenses expired. Of the 12,564 new FHV licenses, 25% were wheelchair accessible vehicles, 5% were lease-to-own vehicles, 8% were street hail livery (SHL) vehicles (FHVs attached to an SHL permit), and 62% were EVs.¹¹

Driver Earnings

As noted in previous License Reviews, HV bases are the only FHV class for which the submission of driver pay data is required. Gross earnings for HV drivers have stabilized as part of the economic recovery from the pandemic. Between February 2023 and January 2024, drivers’ average gross earnings have hovered between \$1,000 and \$1,300 per week, consistent with compensation rates seen since 2021. To ensure that minimum driver pay tracks inflation, TLC announced a 3.49% increase to its minimum HV pay rates effective March 1, 2024 to match the year-end Consumer Price Index for 2023.¹²

While high-volume FHV driver pay is regulated through TLC’s minimum driver pay rules, and those rules include a component for driver expenses, one driver expense particularly relevant to the analysis in this report is vehicle and rental expenses, as drivers who are unable to obtain their own licenses can rent a vehicle from another party. These rental expenses, while typically including the vehicle, insurance, maintenance, TLC licensure, and so on, can be higher than the costs of owning one’s own TLC-licensed vehicle. Rental costs, as reported by drivers and rental companies, typically exceed \$400 per week, and may be much higher based on factors including the vehicle class (luxury, SUV, etc.), make, and model. Thousands of the vehicle license applications submitted while TLC was accepting applications for EVs were from individuals already licensed by TLC, most of whom had recently completed FHV trips, suggesting that many new owner-drivers opted to purchase vehicles to get out of costly leasing arrangements.

Outer-Borough Service

Since the previous review conducted in February 2023, HV trips—the FHV trips for which location-based data is most robust and reliable—have increased in each borough. While the strongest growth was in Staten Island and Queens, all boroughs saw growth between January 2023 and January 2024.

<u>Borough</u>	<u>January 2023</u>	<u>January 2024</u>	<u>Percent change</u>
The Bronx	2,197,976	2,368,692	7.8%
Brooklyn	4,784,586	5,108,466	6.8%
Manhattan	7,578,803	7,863,672	3.8%
Queens	3,666,870	4,040,618	10.2%
Staten Island	249,800	281,716	12.8%

Despite the trip growth in all boroughs, passenger wait times for high-volume trips have remained stable, with a citywide average of 4.25 minutes in January 2024, slightly below the 4.5–6.6-minute range

¹¹ Expired license numbers can change over time because licensees may renew their license up to 60 days after the license expires and once renewed have an additional 120 days to pass a vehicle inspection.

¹² https://www.nyc.gov/assets/tlc/downloads/pdf/industry-notice/industry_notice_24_02_english.pdf

seen since 2018. Average wait times by borough in January 2024 were all between 4 and 5.34 minutes, suggesting that outer-borough service levels have not been an issue.

Electric Vehicles and Charging Infrastructure

TLC is focused on facilitating the transition of its licensed vehicles to EVs. The rush on EV licenses generated by the opening and subsequent pause on applications led to rapid growth in the number of EVs across the TLC fleet. As of early February 2024, there were more than 9,500 licensed FHV EVs. To expand charging options for the thousands of new EV drivers and mitigate capacity constraints at charging sites, TLC has worked with Con Ed, charging infrastructure providers, and agency partners such as DOT, the Department of Citywide Administrative Services, and the Port Authority to increase the amount of EV charging available in New York City.

The growth of EVs in the TLC-licensed fleet has boosted charger utilization citywide and spurred private sector investment in new infrastructure across the five boroughs. In the past year, Revel and Tesla have both unveiled new fast-charging sites.¹³ These and other private investments complement sustained growth in the city's publicly funded charging network. DOT, the New York Power Authority (NYPA), and the Department of Citywide Administrative Services have all expanded their EV charging efforts and now offer affordable fast-charging for TLC drivers in several locations throughout the city,¹⁴ and TLC drivers are eligible for a 15% discount at DOT's fast charging sites. DOT's network of fast chargers and curbside Level 2 chargers saw a significant increase in utilization in late 2023 and early 2024 as more EVs entered the TLC-licensed fleet. TLC has also worked with public and private sector partners to publicize charging discounts and incentives for TLC drivers. Finally, TLC has broken ground on upgrades to its Woodside inspection facility that will include fast chargers for drivers.

Traffic Congestion

Data from DOT continues to indicate that bridge and tunnel traffic into the central business district has stabilized at close to pre-pandemic levels. Midtown traffic speeds, which slowed to pre-pandemic speeds by Fall 2022, have remained consistently low over the last year.¹⁵ As FHV trip volumes are now near pre-pandemic levels, the role of the FHV industry in the city's congestion is likely similar to what it was before the pandemic, as analyzed in the 2019 TLC and DOT report.¹⁶

Conclusion

TLC has conducted a thorough review of the state of the city's FHV industry, including assessing trip volumes, vehicle supply, traffic congestion levels, driver earnings, license attrition rates, outer borough service, and electric vehicles and charging infrastructure. Based on the foregoing analysis, the pending litigation concerning TLC's decision to issue EV-restricted licenses under the previous License Review, and the need to evaluate the impact of new licenses before determining whether any additional

¹³ <https://ny1.com/nyc/all-boroughs/transit/2023/04/11/revel-opens-new-electric-vehicle-charging-superhub-in-brooklyn>

¹⁴ <https://www.nyc.gov/html/dot/downloads/pdf/dc-fast-charging-station-faq.pdf> (DOT);
<https://www.nyc.gov/assets/dcas/downloads/pdf/fleet/electric-vehicle-public-charging-rules.pdf> (DCAS);
<https://evolveny.nypa.gov/en/about-evolve-new-york> (New York Power Authority)

¹⁵ Communication with DOT, February 26, 2024.

¹⁶ See supra note 3.



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licenses should be made available, TLC finds that additional for-hire vehicle licenses are not needed at this time. Those interested in obtaining an FHV license may continue to apply for a WAV-restricted license.