

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”) is proposing to amend its rules to create an Interior Advertising Provider License applicable to for-hire-vehicles.

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 January 9, 2025. 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 January 8, 2025. 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 212-313-3027.
- **By speaking at the hearing.** To sign up to speak and provide testimony, you must e-mail the TLC at tlcrules@tlc.nyc.gov or call 212-676-1135 by 5:00 p.m. on January 8, 2025. Speakers will not be able to sign up to testify the day of the hearing. Those who did not sign-up in advance to testify are welcome to view the live-stream of the meeting on TLC’s website. Please note that the hearing is for accepting oral testimony only and is not held in a “Question and Answer” format.

Is there a deadline to submit written comments? Yes, you must submit written comments by January 9, 2025.

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 January 8, 2025. 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 Section 19-503 of the New York City Administrative Code authorize the Commission to make this proposed rule. This proposed rule was not included in TLC's regulatory agenda for fiscal year 2025 because it was not contemplated when the Commission published the agenda.

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

The TLC is proposing rules to implement Local Law 33 and Local Law 56 of 2024 amending the Administrative Code of the City of New York, in relation to interior advertising in for-hire vehicles and the compensation derived from such advertising revenue by for-hire vehicle drivers. This initiative will permit qualified vendors to offer information, news and entertainment for passengers via tablets installed in for-hire-vehicles while enabling drivers to be paid a share of the revenue and will facilitate the payment of gratuities through the tablets.

Specifically, the proposed rules would establish:

- A formal procedure for the licensing and supervision of businesses that provide approved electronic tablets and software for interior advertising in for-hire vehicles, including appropriate penalties for the violation of these rules.
- A framework to access and assess the gross revenue generated by each licensed interior advertising provider through each approved interior advertising device. This will give TLC the data necessary to provide a report examining the compensation received by drivers and adjust the rate of compensation as necessary.
- Rules and penalties to monitor and enforce against any negative consequences drivers may face for choosing not to display interior advertisements, such as deactivations or changes to amounts or types of rides assigned to for-hire vehicle drivers.
- Technical requirements for approved tablets and software and provision for the issuance of licenses to Interior Advertising Providers whose systems meet such requirements.

Developed in consultation with the New York City Office of Technology and Innovation, these rules provide content standards, safety features, privacy protection, and security requirements for interior advertising hardware and software. In particular, driver and passenger data are safeguarded by limiting interior advertising device functionality, including prohibiting the capturing of personal identifying information, credit card transactions, internet access, recording and camera capabilities, screen sharing, and wireless transmission, while mandating secure access and device functionality.

- Requirements for passenger controls to ensure a comfortable passenger experience, such as giving passengers an opportunity to turn off or mute the screen.

After the feedback from the August 13, 2024 hearing on an earlier rule proposal, TLC has made the following changes to these rules.

Section 3: §59A-21(c)(5) allows for other entities, such as leasing companies, to enter into business arrangements with Interior Advertising Providers for tablet management, so long as these arrangements do not result in any charges or fees to Drivers.

Section 5: §59A-31(f) expands certain tablet button functions.

Section 10: §59D-20(f) provides that the 15% advertising airtime required to be provided by TLC will be calculated per passenger trip for Interior Advertising Systems that are integrated with High Volume For-Hire Services, since trip information may be shared between these two systems. This section also provides a mechanism for facilitating tipping through the tablet if the financial transaction occurs and is processed through a TLC-licensed base with an integrated application and not through the Interior Advertising system.

Section 16: §80-17(k) provides the mechanism for facilitating tipping through the tablet if the financial transaction occurs and is processed through a TLC-licensed base with an integrated application and not through the Interior Advertising system.

Section 19, which creates new Sub-Chapter 59E, contains the following:

- §59E-02(d) allows for broader financial agreements between Interior Advertising Providers and Drivers beyond contracts, such as "terms and conditions" agreements.
- §59E-05 establishes a requirement that Interior Advertising Provider software security testing standards must satisfy a national standard and includes a requirement for commercial general liability insurance.
- §59E-15(a) requires Gross Revenue information to be submitted to TLC by Interior Advertising Providers in order to calculate the Gross Revenue per tablet and investigate Driver non-payment claims. §59E-15(c)(1) addresses the manner in which Gross Revenue is calculated to account for financial arrangements between Interior Advertising Providers and other licensees. §59E-15(c)(2) changes the term "pay" to "compensate" to account for other forms of accepted monetary compensation to Drivers (e.g. giftcards) and increases the amount of time between the

broadcasting of electronic media and Driver compensation to account for varying compensation models.

- §59E-16(a) clarifies software requirements for material modifications. §59E-16(b) accounts for varying types of financial arrangements between Interior Advertising Providers and Drivers and requires Drivers to sign such arrangements.
- §59E-22 allows tablets assigned to one specific driver to bypass log-in requirements. This section clarifies that the 15% of TLC-provided content is calculated based on advertising airtime and distinguishes how this 15% is calculated between Base-integrated and non-integrated Interior Advertising Systems. Integrated Interior Advertising systems will calculate airtime based on passenger trip and non-integrated Interior Advertising Systems will be calculated on an hourly basis. Specific passenger facing functions are updated to include personalized content and the facilitation of gratuities. This section requires Interior Advertising Provider software security to comply with a national standard

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.

[Material inside brackets indicates deleted material.]

Section 1. Section 51-03 of Title 35 of the Rules of the City of New York is amended by adding three new definitions, in alphabetical order, to read as follows:

Interior Advertising Provider is a business that has been licensed by the Commission to own, sell, lease, make available for use, provide and/or supply Approved Electronic Tablets and Software for Interior Advertising Systems in For-Hire Vehicles.

Interior Advertising/Interior Advertising System are terms used interchangeably referring to an integrated system consisting of an Approved Electronic Tablet and Software, complying with the technical requirements set forth in Sub-Chapter 59E, installed in a For-Hire Vehicle.

Electronic Tablet/Approved Tablet/Approved Electronic Tablet are terms used interchangeably referring to all Interior Advertising System hardware in For-Hire Vehicles

Section 2. Section 59A-18 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (d), to read as follows:

- (d) *Business Requirements – Nondiscrimination.* No Owner of a For-Hire Vehicle may discriminate against or impose any negative consequences on a Driver based on whether or not the Driver chooses to operate a For-Hire Vehicle with an Interior Advertising System, or based on the brand or affiliation of the Interior Advertising System. Negative consequences and/or discrimination include but are not limited to: refusing to lease a For-Hire Vehicle to a Driver, imposing an additional charge for leasing a For-Hire Vehicle without an Approved Electronic Tablet, reducing the compensation provided to the Driver, either directly or indirectly through manipulating the

number or type of rides assigned to the Driver, or disciplinary action.

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| §59A-18(d) | Penalty: First Violation: \$1,000 fine Second Violation: \$1000 and/or Suspension for up to 30 days | Appearance NOT REQUIRED |
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Section 3. Subdivision (c) of section 59A-21 of Title 35 of the Rules of the City of New York is amended by adding a new paragraph (5), to read as follows:

(5) Interior Advertising System Revenue. A lessor cannot charge, request or accept any fee from a driver for revenue generated from an Interior Advertising System.

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| §59A-21(c)(5) | Fine: First violation: \$500; Second and subsequent violations: \$1,000 and/or suspension for up to 30 days. <u>In addition to the penalty payable to the Commission, the lessor must pay restitution to the Driver, equal to the amount charged to the Driver in violation of this rule.</u> | Appearance NOT REQUIRED |
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Section 4. Subdivision (e) of section 59A-29 of Title 35 of the Rules of the City of New York is amended to read as follows:

(e) *Prohibited Advertising.*

- (1) An Owner must not display any advertising on the exterior or the interior of a For-Hire Vehicle unless the advertising has been authorized by the Commission and a License has been issued to the Owner following the provisions of the Administrative Code.
- (2) The Commission will not approve any advertising for the exterior of a For-Hire Vehicle that consists, in whole or in part, of roof top advertising.
- (3) An Owner must not display or attempt to display any advertising on the interior of a For-Hire Vehicle unless the advertising has been authorized by the Commission and a License has been issued to the Interior Advertising Provider in accordance with the provisions of Sub-Chapter 59E of this chapter.

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| §59A-29(e) | Fine: \$[50]100 if plead guilty before a hearing; \$200 if found guilty following a hearing | Appearance NOT REQUIRED |
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Section 5. Section 59A-31 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) Approved Electronic Tablet. A For-Hire Vehicle may be equipped with one Approved Electronic Tablet pursuant to §59E-24(i), provided that the device is mounted in a fixed position

and not hand-held, and provided further that use of the Approved Electronic Tablet is limited to either voice or preprogrammed buttons.:

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| <u>§59A-31(f)</u> | <u>Fine: \$250 if plead guilty before a hearing; \$350 if found guilty following a hearing.</u> | <u>Appearance NOT REQUIRED</u> |
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Section 6. Paragraph (3) of subdivision (f) of section 59B-18 of Title 35 of the Rules of the City of New York is amended by adding a new subparagraph (iv) and a new penalty provision, to read as follows:

(iv) A Base cannot charge, request or accept any fee for revenue generated from an Interior Advertising System.

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| <u>§59B-18(f)(3)</u> | <u>Fine: First violation: \$500; Second and subsequent violations: \$1,000 and/or suspension for up to 30 days. In addition to the penalty payable to the Commission, the Hearing Officer must order the Base to pay restitution to the Driver, equal to the amount charged to the Driver in violation of this rule.</u> | <u>Appearance REQUIRED</u> |
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Section 7. Section 59B-18 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (h), to read as follows:

(h) Business Requirements – Nondiscrimination. No Base may discriminate against or impose any negative consequences on a Driver based on whether or not the Driver chooses to operate a For-Hire Vehicle with an Interior Advertising System, or based on the brand or affiliation of the Interior Advertising System. Negative consequences and/or discrimination include but are not limited to: deactivating the Driver, reducing the compensation provided to the Driver, either directly or indirectly through manipulating the number or type of rides assigned to the Driver, or disciplinary action.

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| <u>§59B-18(h)</u> | <u>Penalty: First Violation: \$1,000 fine Second Violation: \$1000 and/or Suspension for up to 30 days</u> | <u>Appearance NOT REQUIRED</u> |
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Section 8. Subdivision (e) of section 59B-29 of Title 35 of the Rules of the City of New York is amended to read as follows:

(e) *Prohibited Advertising.*

(1) A Vehicle must not display advertising on the outside or the inside unless the Commission has authorized the advertising and has given the Vehicle Owner a permit specifying that the advertising complies with the Administrative Code.

- (2) The Commission will not approve any roof top advertising for For-Hire Vehicles, except for Street Hail Liveries.
- (3) *Street Hail Liveries: Optional Rooftop Advertising Fixture.*
 - (i) A Street Hail Livery Licensee may equip a Taxicab with an authorized Rooftop Advertising Fixture in accordance with Rule 82-63.
- (4) A Vehicle must not display or attempt to display any interior advertising unless the advertising has been authorized by the Commission and a License has been issued to the Interior Advertising Provider in accordance with the provisions of Sub-Chapter 59E of this chapter.

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| §59B-29(e) | Fine: \$[50]100 if plead guilty before a hearing; \$200 if found guilty following a hearing | Appearance NOT REQUIRED |
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Section 9. Subdivision (d) of section 59D-05 of Title 35 of the Rules of the City of New York is amended by adding a new paragraph (2), to read as follows:

- (2) A High-Volume For-Hire Service must not charge, request or accept any fee for revenue generated from an Interior Advertising System to or from a Driver.

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| §59D-05(d)(2) | Fine: First violation: \$500; Second and subsequent violations: \$1,000 and/or suspension for up to 30 days. In addition to the penalty payable to the Commission, the Hearing Officer must order the lessor to pay restitution to the Driver, equal to the amount charged to the Driver in violation of this rule | Appearance NOT REQUIRED |
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Section 10. Section 59D-20 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) *Business Requirements – Interior Advertising Systems*

- (1) *Nondiscrimination.* No High-Volume For-Hire Service may discriminate against or impose any negative consequences on a Driver based on whether or not the Driver chooses to operate a For-Hire Vehicle with an Interior Advertising System, or based on the brand or affiliation of the Interior Advertising System. Negative consequences and/or discrimination include but are not limited to: deactivating the Driver, reducing the compensation provided to the Driver, either directly or indirectly through manipulating the number or type of rides assigned to the Driver, or disciplinary action.
- (2) *Passenger-Facing Content.* If a High Volume For-Hire Service is integrated with an Interior Advertising System, 15% of the advertising airtime must be calculated based

upon each new dispatched trip.

- (3) Tiping. If a High Volume For-Hire Service is integrated with an Interior Advertising System, gratuities facilitated through the Approved Tablet must be paid to the Driver through the payment mechanisms provided in Chapter 59B of these rules. A High Volume For-Hire Service cannot integrate with an Interior Advertising System capable of collecting payment information from a Passenger through any tablet.

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| <u>§59D-20(f)</u> | <u>Penalty:</u> <u>First Violation: \$1,000 fine</u> <u>Second Violation: \$1,000 and/or Suspension for up to 30 days</u> | <u>Appearance NOT REQUIRED</u> |
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Section 11. Section 80-11 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (g), to read as follows:

- (g) No Unauthorized Use of Approved Tablet for Interior Advertising. A Driver must not permit any other person to use the Driver's Interior Advertising System login credentials while operating any Vehicle. A Driver must not use any other Driver's Interior Advertising System login credentials while operating any Vehicle.

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| <u>§80-11(g)</u> | <u>Fine: \$250 if plead guilty before a hearing; \$350 if found guilty following a hearing.</u> | <u>Appearance NOT REQUIRED</u> |
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Section 12. Section 80-12 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (q), to read as follows:

- (q) No use of Approved Tablet for Unlawful Purpose. A Driver must not use or permit any other person to use an Approved Tablet for any unlawful purpose.

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| <u>§80-12(q)</u> | <u>Fine: \$250 if plead guilty before a hearing; \$350 if found guilty following a hearing.</u> | <u>Appearance NOT REQUIRED</u> |
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Section 13. The title and paragraph (1) of subdivision (g) of section 80-14 of Title 35 of the Rules of the City of New York are amended to read as follows:

- (g) Use of Electronic Communication Device or Approved Tablet.

(1) A Driver must not Use an Electronic Communication Device or Approved Tablet while operating a Vehicle. A Driver can Use an Electronic Communication Device only while the Vehicle is lawfully standing or parked.

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| <u>§80-14(g)(1)</u> | <u>Fine: \$250 if plead guilty before a hearing; \$350 if</u> | <u>Appearance NOT REQUIRED</u> |
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| | <p>found guilty following a hearing, and suspension. The suspension is deferred for 60 days; if the Driver completes a Distracted Driving Portable Electronic Device Course within the 60-day period then the Driver will not be suspended.</p> <p>Points: 3 for the first offense and for the second offense in any 15-month period; 4 for the third offense in any 15-month period.</p> | |
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Section 14. Section 80-15 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (m) to read as follows:

(m) Prohibited Advertising. A Driver must not display any advertising on the interior of a For-Hire Vehicle unless the advertising has been authorized by the Commission.

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| <u>§80-15(m)</u> | <u>Fine: First violation: \$250 if plead guilty before a hearing; \$350 if found guilty following a hearing; Second and subsequent violations: \$350 if plead guilty before a hearing; \$450 if found guilty following a hearing.</u> | <u>Appearance NOT REQUIRED</u> |
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Section 15. Section 80-16 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (i), to read as follows:

(i) Request to turn off, mute, or control volume of Approved Tablet. A Passenger must be able to turn off any Passenger-facing screen (i.e. render the screen blank and muted) at any time, without obstruction, as well as control the volume of or mute any Passenger-facing device, without obstruction.

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| <u>§80-16(i)</u> | <u>Fine: \$250 if plead guilty before a hearing; \$350 if found guilty following a hearing.</u> | <u>Appearance REQUIRED</u> |
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Section 16. Section 80-17 of Title 35 of the Rules of the City of New York is amended by adding a new subdivision (k), to read as follows:

(k) No Passenger Payment Through Approved Tablet. An Approved Tablet may facilitate gratuities to the Driver through the means provided in Chapter 59B of these rules. A Driver must not operate an Interior Advertising System capable of collecting payment information from a passenger through any tablet.

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| <u>§80-17(k)</u> | <u>Fine: \$250 if plead guilty before a hearing; \$350 if found guilty following a hearing.</u> | <u>Appearance NOT REQUIRED</u> |
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Section 17. Subdivision (b) of section 80-22 of Title 35 of the Rules of the City of New York is

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§59E-01 Scope of the Sub-Chapter

- (a) To establish a formal procedure for the licensing and supervision of businesses that own, sell, lease, make available for use, provide or supply approved electronic tablets and software for interior advertising in for-hire vehicles.
- (b) To establish technical requirements for tablets and software and provide for the issuance of licenses to Interior Advertising Providers whose systems meet such requirements.
- (c) To establish services to be provided by Interior Advertising Providers.
- (d) To establish appropriate penalties for the violation of these rules.

§59E-02 Penalties

(a) Unlicensed Activity

(1) Unlicensed Activity is the act of providing or advertising the provision of any Commission-regulated service by

(A) Any Licensee whose License is suspended, revoked, or expired and not yet renewed,
or

(B) Any person who does not hold a Valid License from the Commission for interior advertising.

(2) Unlicensed Activity specifically includes the activities listed in §59E-08 of these Rules and can result in License revocation, and other penalties.

(b) Specific Penalties.

Specific penalties for violating a Rule will be shown at the end of the Rule. The penalty provision will also state whether the violator must attend the Hearing.

(c) Payment of Fines.

(1) Fines are due within thirty (30) days of the day the Respondent is found guilty of the violation, unless) the Respondent files an appeal of the decision issued by the Office of Administrative Trials and Hearings within the time required by sub-chapter 5 of Title 48 of the Rules of the City of New York, in which case the payment of the fines will be deferred until 30 days after the date of the appeal decision.

(2) If the fine is not paid by the close of business on the date due, the Commission will notify the Respondent in writing that the Respondent's License will be suspended in 10 business days of the date of the notification until the fine is paid, unless the Respondent demonstrates to the Commission, in person or in writing, that the fine has been paid.

(d) Non-Renewal, Suspension or Revocation of License

(1) Non-renewal of License. If an Interior Advertising Provider License is not timely renewed, the Interior Advertising Provider must immediately notify

(A) the Commission, specifying the date of License expiration; and

(B) each Driver who is using the Approved Tablets under the expired License.

Upon expiration of the Interior Advertising Provider License, the Interior Advertising Provider must not enter into any new contracts or agreements with Drivers for Gross Revenue sharing, sale, lease or use of the Approved Tablets under the expired License, and must not renew existing contracts with Drivers who are using the Approved Tablets under the expired License.

(2) Suspension. While the Interior Advertising Provider's License is suspended, the Interior Advertising Provider must not enter into any new contracts or agreements with Drivers for Gross Revenue sharing, sale, lease or use of any Approved Tablets under the suspended License. If an Interior Advertising Provider License has been suspended by the Commission for a period of at least thirty (30) days, the Interior Advertising Provider must immediately notify, in writing, each Driver who is using an Approved Tablet under the suspended License, as well as the Driver's affiliated Base,

(A) of the dates during which the License is suspended,

(B) that the Driver has the option to terminate its contract or agreement with the Interior Advertising Provider by providing written notice to the Interior Advertising Provider, or if its contract will expire during the period of suspension that Driver has the option not to renew its contract,

(C) that the Driver must immediately stop operating the Approved Tablet and immediately remove the Approved Tablet from the For-Hire Vehicle;

(D) that the Driver is entitled to any payments for contracted or agreed upon services with the Interior Advertising Provider up until the suspension date, regardless of whether the Driver exercises the option to renew or terminates the contract or agreement.

(3) Revocation

(A) If an Interior Advertising Provider's License has been revoked by the Commission, the Interior Advertising Provider must immediately notify, in writing, each Driver who is using an Approved Tablet under the revoked License, as well as the Driver's affiliated Base,

(i) that its contract or agreement with the Interior Advertising Provider will be deemed terminated ten (10) days following the date of License revocation, and

(ii) that its contract or agreement may be terminated earlier by the Driver by giving written notice of termination.

(B) Upon revocation of the Interior Advertising Provider's License, the Interior Advertising Provider must not

(i) enter into any new contracts or agreements with Drivers for Gross Revenue sharing, sale, lease or use of an Approved Tablet under the revoked License, or

(ii) renew existing contracts or agreements with Drivers who are using any Approved Tablets under the revoked License.

(C) An Interior Advertising Provider whose License has been revoked must provide de-installation/removal at no charge to each Driver who used an Approved Tablet under the revoked License.

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| §59E-02(d) | Penalty: \$1,000-\$1,500 fine | Appearance NOT REQUIRED |
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§59E-03 Definitions Specific to this Sub-Chapter

(a) Applicant means an Applicant for an original or renewal Interior Advertising Provider License.

(b) Electronic Media means any broadcasted content on Electronic Tablets.

(c) Gross Revenue means the revenue generated by the Interior Advertising Provider.

(d) Identifying Information means any information that can be used to identify or locate an individual, including but not limited to name, address, social security number, unmasked or non-truncated credit, debit, or prepaid card numbers, together with any other information that relates to an individual who has been so identified, and any other information that is otherwise subject to privacy or confidentiality laws and associated rules and regulations. The display or disclosure of only the last four digits of a credit, debit, or prepaid card number is not Personal Information. The name of a Driver and the Driver's Commission license number is not Identifying Information.

(e) Interior Advertising Provider means a business that has been licensed by the Commission and that owns, sells, leases, makes available for use, provides or supplies Approved Electronic Tablets and Software for Interior Advertising Systems in For-Hire Vehicles.

(f) Interior Advertising/Interior Advertising System is used interchangeably in this sub-chapter—and in this sub-chapter ONLY—and means any component of Hardware and/or Software used for interior advertising.

(g) License. When the term "License" is used by itself in this sub-chapter—and in this sub-chapter ONLY—it means an Interior Advertising Provider License.

(h) Licensee. When the term "Licensee" is used by itself, in this sub-chapter-- and in this sub-chapter ONLY-- it means an Interior Advertising Provider Licensee.

(i) Software/Approved Software is used interchangeably in this sub-chapter and means all application functions and content on Electronic Tablets/Hardware.

(j) Approved Tablet /Electronic Tablet/Approved Electronic Tablet/Hardware is used interchangeably in this sub-chapter—and in this sub-chapter ONLY—and means all Interior Advertising System hardware in For-Hire Vehicles.

(k) Update means all revisions, updates, patches, modifications, corrections, releases, versions, fixes and enhancements to Software or Hardware that is a component of the Interior Advertising System.

§59E-04 Licensing – General Requirements

(a) Licensees. An Applicant for an Interior Advertising Provider License or its renewal may be an individual or a Business Entity.

(b) Approval of Tablet Model. Each model of Approved Tablet offered under an Interior Advertising Provider's License must be approved by the Chairperson prior to making it available for sale, lease, or use by Drivers.

(c) Certification. Any new or renewal application for an Interior Advertising Provider License must be filed using a form approved by the Chairperson. The Applicant must swear (or affirm) that the information in the Application is true, under penalty of perjury.

(d) Proof of Identity. The individual or Business Entity Person submitting the application for an Interior Advertising Provider License must provide to the Commission:

(1) a valid form of photo identification issued by the United States, a state or territory, or any political subdivision of a state or territory, and

(2) a valid social security number.

(e) Age. The individual or Business Entity Person applying for an Interior Advertising Provider License or its renewal must be at least 18 years of age.

(f) Fit to Hold a License. The individual or Business Entity Person applying for an Interior Advertising Provider License or its renewal must demonstrate that they are Fit to Hold a License.

(g) Partnership Filings. When the Applicant is a partnership, it must file with the clerk of the county where the principal place of business is located. In addition, each partner must satisfy the requirements of identity and age, as specified in subdivisions (d) and (e), of this subdivision.

(h) Corporate or LLC Filings. When the Applicant is a corporation, it must provide:

(1) current contact information for its principal officers and shareholders, or that of an authorized representative of the principal shareholders, and

(2) a valid EIN number.

(i) Payment of Fines and Fees.

(1) An Applicant, including an applicant for a renewal License, must pay, and provide proof of payment of, any outstanding fines, taxes, or fees owed by the Applicant to

(A) the Commission,

(B) NYC Department of Finance,

(C) NYC Department of Consumer and Worker Protection,

(D) NYS Department of State, and

(E) NYS DMV's Traffic Violations Bureau, or

(F) any of their successor agencies.

(2) This requirement includes payment of fines and fees owed as of the date of the application by

(A) any Business Entity Persons of the Applicant,

(B) any Business Entity of which the Applicant is a Business Entity Person, and

(C) any Business Entity of which a Business Entity Person of Applicant is also a Business Entity Person.

(j) Address. An Applicant must give the Commission the Applicant's current Mailing Address and Email Address as required by §59E-13 of these Rules.

§59E-05 Licensing – Specific Requirements

(a) Approval for New License. The Commission will not issue an Interior Advertising Provider License to any Applicant unless the Commission approves the tablet and software proposed for in-vehicle use by the Applicant. In determining whether to approve the Applicant, the Commission will consider, in its sole discretion, whether the documentation required to be submitted by the Applicant pursuant to subdivision (b) of this section adequately demonstrates that the Applicant's Interior Advertising System complies with all of the requirements set forth in §59E-22 of these Rules, or as such requirements may be waived or modified by the Commission pursuant to subdivision (e) of this section.

(b) Documentation for Interior Advertising System Approval. The Applicant must submit with its License application the following documentation for tablets and software for which Commission approval is sought.

(1) Documentation demonstrating that an independent third party that is accredited by the American National Standards Institute-American Society of Quality National Accreditation Board ("ANAB") to perform International Organization for Standardization ("ISO") 9001 certifications has performed acceptance testing consistent with the acceptance test plan, and the successful results of the acceptance testing.

(2) A procedures manual/user guide that describes the features and operations of the Interior Advertising System.

(3) Demonstration Models

(A) One working demonstration model of the Electronic Tablet and Software, inclusive of all components required for complete functionality of the Interior Advertising System.

(B) A second demonstration model installed in a vehicle for demonstration purposes and to allow approval by the Commission of the installation method and location of the Interior Advertising System. In its decision to approve the location and installation of the Interior Advertising System, the TLC will consider the safety of the Passenger, Passenger ergonomics, the impact of modifications on the proper functioning of the vehicle or other required equipment, and any comments provided by Interior Advertising Providers and industry, passenger, or safety organizations.

(4) Interior Advertising System Training. Applicants must provide to the personnel of the Commission or its designee, at no cost to the Commission, training sessions on the functionality of the Interior Advertising System.

(5) Information Security and Use of Identifying Information Policy. The Applicant must submit with its License application an information security and use of Identifying Information policy that includes, at a minimum, the following information:

(A) a statement of internal access policies relating to Identifying Information for employees, contractors, and third parties, if applicable. Such internal access policy must be limited only to those employees, contractors, or third parties who have a business need to access Identifying Information; Applicant must annually review and update internal access policies, or more frequently as required by the Commission. Such internal access policies must be made publicly available;

(B) procedures for notifying the Commission and affected parties of any breach of the security of the system, pursuant to section 899-aa of the General Business Law; and

(C) a statement of the Applicant's policies regarding the use of passenger geolocation and Identifying Information, which must include, at a minimum, a prohibition on the use, monitoring, or disclosure of trip information, including the date, time, pick-up location, drop-off location, and real-time vehicle location and an electronic, passenger-facing mechanism where passengers can control their privacy settings electronically with respect to such use.

(c) Modification of Interior Advertising System. The Interior Advertising Provider must submit an application for approval of any material modification of the Interior Advertising System, including all documentation required by subdivision (b) of this section. This includes any modification to the Interior Advertising System after the Commission has issued a License for such Interior Advertiser that would materially alter the functionality, performance characteristics, security measures, or technical environment of the Interior Advertising System, and modifications of interfaces to other systems licensed by the Commission.

(d) Interior Advertising System Approval Upon Renewal. If upon renewal of the Interior Advertising Provider License,

(1) the Interior Advertising Provider seeks approval of a modification of the Interior Advertising System, the Interior Advertising Provider must meet all of the requirements applicable to a modification of the Interior Advertising System pursuant to subdivision (c) of this section; or

(2) the Interior Advertising Provider does not seek approval of a modification of the Interior Advertising System and there has been no modification of the Interior Advertising System since the prior Commission approval of the Interior Advertising Provider or prior Commission approval of a modification of the Interior Advertising System, the Interior Advertising Provider must submit to the Commission a certification to that effect.

(e) Waivers or Modifications. Except where expressly prohibited by law, the Commission may, in its discretion, waive or modify any requirements for licensing under this sub-chapter in the interests of public safety and convenience. Requests for waivers or modifications must be submitted in writing to the Commission.

(f) If the Approved Tablets and/or Approved Software is not functioning properly, the Interior Advertising Provider must cease its operations with respect to such Approved Tablets until such time as the Approved Tablets and/or Approved Software are functioning properly.

(g) Required Insurance. After submission of an application for a new Interior Advertising Provider License, an Applicant must provide to the Commission proof of the insurance required in this subdivision when the Commission requests it. Upon submission of an application to renew an Interior Advertising Provider License, the Interior Advertising Provider Licensee must provide to the Commission proof of the insurance required in this subdivision.

(1) Commercial General Liability Insurance.

(A) The Applicant must maintain Commercial General Liability (“CGL”) Insurance covering the Applicant as Named Insured and the City as an Additional Insured in the amount of at least Two Million Dollars (\$2,000,000) per occurrence. The insurance must protect the City and the Applicant from all claims, including but not limited to claims for property damage and/or bodily injury that may arise from any of the operations performed or to be performed by or on behalf of the Applicant in connection with any of the activities licensed under this Sub-Chapter. Coverage under this insurance must be at least as broad as that provided by the most recently issued Insurance Services Office (“ISO”) Form CG 0001 and must be "occurrence" based rather than “claims-made.”

(B) If the Applicant’s subcontractor(s) is/are performing or will perform operations in connection with any of the activities licensed under this Sub-Chapter, either the Applicant’s CGL Insurance under subparagraph (A) of this paragraph must cover the subcontractor(s) or such subcontractor(s) must maintain its/their own CGL Insurance subject to all other requirements herein.

(C) The CGL Insurance must name the City, together with its officials and employees, as an Additional Insured with coverage at least as broad as the most recently issued ISO Form CG20 10.

(2) General Requirements for Insurance Coverage and Policies.

(A) All required insurance policies must be maintained with companies that may lawfully issue the required policy and have an A.M. Best rating of at least A- / “VII” or a Standard and Poor’s rating of at least A, unless prior written approval is obtained from the Commission.

(B) All insurance policies must be primary (and non-contributing) to any insurance or self-insurance maintained by the City.

(C) The Applicant must be solely responsible for the payment of all premiums for all required insurance policies and all deductibles or self-insured retentions to which the policies are subject, whether or not the City is an insured under the policy.

(D) There must be no self-insurance program with regard to any insurance required under this subdivision unless approved in writing by the Commission. Any self-insurance program must provide the City with all rights that would be provided by traditional insurance required under this subdivision, including but not limited to the defense obligations that insurers are required to undertake in liability policies.

(E) The City's limits of coverage for all types of insurance required under this subdivision must be the greater of:

(i) the minimum limits set forth in this subdivision; or

(ii) the limits provided to the Applicant as Named Insured under all primary, excess, and umbrella policies of that type of coverage.

(3) Proof of Insurance.

(A) For each policy required under this subdivision, the Applicant must file with the Commission a Declarations Page issued by the insurer. All Declaration Pages must be:

(i) in a form acceptable to the Commission and certify the issuance and effectiveness of such policies of insurance, each with the specified minimum limits;

(ii) accompanied by the endorsement in the Applicant's Commercial General Liability Insurance policy by which the City has been made an Additional Insured pursuant to subparagraph (C) of paragraph (1) of this subdivision; and

(iii) accompanied by either a duly executed "Certification by Insurer" in the form provided by the Commission or copies of all policies referenced in the Declarations Page. If complete policies have not yet been issued, binders are acceptable, until the complete policies have been issued, at which time such policies must be submitted.

(B) The Applicant must provide the Commission with a copy of any policy required under this subdivision upon demand by the Commission or the New York City Law Department.

(C) Acceptance by the Commission of a Declarations Page or a policy does not excuse the Interior Advertising Provider from maintaining policies consistent with all provisions of this subdivision (and ensuring that subcontractors maintain such policies) or from any liability arising from its failure to do so.

(D) If the Interior Advertising Provider receives notice, from an insurance company or other person, that any insurance policy required under this subdivision will expire, be cancelled, or terminated for any reason, the Interior Advertising Provider must immediately forward a copy of the notice to the Commission and the New York City Comptroller at:

NYC Taxi and Limousine Commission
Attn: General Counsel
33 Beaver Street 22nd Floor
New York, New York 10004

New York City Comptroller
Attn: Office of Contract Administration
Municipal Building, One Centre Street, Room 1005
New York, New York 10007.

(4) Miscellaneous Insurance Provisions.

(A) Whenever notice of loss, damage, occurrence, accident, claim or suit is required under a Commercial General Liability policy maintained in accordance with this subdivision, the Interior Advertising Provider must provide the insurer with timely notice thereof on behalf of the City. Notice must be given even where the Interior Advertising Provider may not have coverage under such policy (for example, where one of the Interior Advertising Provider's employees was injured). Notice must expressly specify that "this notice is being given on behalf of the City of New York as Additional Insured" and contain the following information:

- the number of the insurance policy;
- the name of the named insured;
- the date and location of the damage, occurrence, or accident;
- the identity of the persons or things injured, damaged, or lost; and
- the title of the claim or suit, if applicable.

The Interior Advertising Provider must simultaneously send a copy of the notice to:

The City of New York c/o Insurance Claims Specialist
Affirmative Litigation Division,
New York City Law Department,
100 Church Street, New York, New York 10007.

If the Interior Advertising Provider fails to comply with the requirements of this subparagraph, the Interior Advertising Provider must indemnify the City for all losses, judgments, settlements and expenses, including reasonable attorneys' fees, arising from an insurer's disclaimer of coverage citing late notice by or on behalf of the City.

(B) Insurance coverage in the minimum amounts required in this subdivision shall not relieve the Interior Advertising Provider Licensee of any liability for indemnification under this Sub-Chapter.

(C) The Interior Advertising Provider waives all rights against the City, including its officers and employees, for any damages or losses that are covered under any insurance required under this subdivision (whether or not such insurance is actually procured or claims are paid under such insurance) or any other insurance applicable to the activities of the Interior Advertising Provider and/or its subcontractors required to be licensed under this Sub-Chapter.

(D) If the Interior Advertising Provider requires any subcontractor to procure insurance in connection with any of the activities licensed under this Sub-Chapter and requires the subcontractor to name the Interior Advertising Provider as an additional insured under such insurance, the Interior Advertising Provider must ensure that such entity also names the City, including its officials and employees, as an additional insured with coverage at least as broad as the most recently issued ISO form CG 20 26.

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| <u>§59E-05(g)</u> | <u>Penalty: \$1,500 fine and/or suspension up to 60 days or revocation</u> | <u>Appearance REQUIRED</u> |
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(h) *Renewals of Required Insurance Policies.* The Interior Advertising Provider must submit to the Commission Certificates of Insurance confirming renewals of insurance before coverage of insurance policies required under subdivision (g) of this section expires. Certificates of Insurance must comply with the requirements of subparagraph (g)(3)(A) above.

§59E-06 Licensing – Fees and Term of License

(a) Application Fee. Every application for a new or renewal Interior Advertising Provider License must be accompanied by a non-refundable application fee of \$500 annually for each License to be issued or renewed for the term as provided in subdivision (c) of this section.

(b) Form of Payment. All application fees must be paid by credit card, debit card, or electronic check.

(c) Term of License. The term of an Interior Advertising Provider License will be three years

(d) When to File for Renewal.

(1) A renewing Applicant must file a completed application at least sixty (60) days before the expiration date of the License.

(2) A renewing Applicant can file a completed application up to 90 days after the expiration date as a “late application.” When a late application is submitted, the License will remain expired until the application for renewal is approved by the Commission. If an extended License renewal application is approved, the renewal License expiration date will be based on the original expiration date of the License and not the extended date.

(3) In order to renew an Interior Advertising Provider License, all suspensions must be cleared.

(e) Suspended Licenses. If a License is suspended and it is also due to be renewed, the Interior Advertising Provider must apply for renewal as required in subdivision (d) above if the Interior

Advertising Provider wants to renew the License. Failure to complete the renewal requirements means that the License cannot be renewed.

§59E-07 Licensing – Cause for Denial

(a) Failure to Continuously Comply. Whenever the Commission determines that the Interior Advertising Provider no longer meets the requirements for the License, the Commission may suspend or revoke the License and deny any application for renewal.

(b) Summary Suspension. Nothing in this section limits the authority of the Commission to summarily suspend any Interior Advertising Provider License when a threat to public health, safety, or welfare exists.

(c) Failure to Complete Application Requirements

(1) The Chairperson may deny an application for a new License if the Applicant has not completed all the requirements of an application within ninety (90) days of the date the application is filed.

(2) The Chairperson may deny an application for a renewal License if the Applicant has not completed all the requirements of an application within 90 days after the expiration date of the current License.

(d) Additional Consideration of an Application. If a review of the application leads the Chairperson to believe that the Applicant may not be Fit to Hold a License, the Chairperson may seek additional information from the Applicant. This request for additional information may be an in-person interview, telephone call, letter, e-mail, or other method of communication. This additional consideration may result in the denial of the application. Failure to provide any requested information within the time frame requested, or failure to appear at a scheduled interview will result in a denial of the application.

§59E-08 General Requirements – Unlicensed Activity

Interior Advertising Provider License Required. An individual or Business Entity must not do or attempt to do the following: sell, lease, make available for use, install, maintain, service or repair an Approved Tablet in any Commission-licensed vehicle, or enter into or renew a contract with a Driver for the Gross Revenue sharing, sale, lease, use, installation, maintenance, service or repair of any Approved Tablet without a Valid Interior Advertising Provider License.

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| <u>§59E-08</u> | <u>Penalty: \$10,000 fine</u> | <u>Appearance REQUIRED</u> |
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§59E-09 General Requirements – Compliance with Applicable Law

(a) Licenses and Permits. An Interior Advertising Provider must obtain all licenses and permits required by applicable local, state, or federal law for such Interior Advertising Provider’s business.

(b) Payment of All Fines and Fees. An Interior Advertising Provider must pay all fines, fees, and taxes it owes to any federal, state, or local governmental jurisdiction when they are due.

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| <u>§59E-09(a)&(b)</u> | <u>Penalty: \$500-\$1,000 fine and/or suspension until compliance</u> | <u>Appearance REQUIRED</u> |
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§59E-10 General Requirements – Indemnification

(a) General Indemnification. An Interior Advertising Provider must defend, indemnify and hold the City, its officers and employees harmless from any and all third-party claims (even if the allegations of the lawsuit are without merit) or judgments for damages on account of any losses, including for injuries or death to any person or damage to any property and from costs and expenses (including reasonable attorneys’ fees) to which the City, its officers and employees may be subjected or which it may suffer or incur allegedly arising out of any operations of the Interior Advertising Provider and/or its employees, agents or subcontractors in connection with any of the activities licensed under this sub-chapter to the extent resulting from any negligent act of commission or omission, any intentional tortious act, or failure to comply with any of the provisions of this sub-chapter. Insofar as the facts or law relating to any third-party claim would preclude the City from being completely indemnified by the Interior Advertising Provider, the City shall be partially indemnified by the Interior Advertising Provider to the fullest extent permitted by law.

(b) Infringement Indemnification. An Interior Advertising Provider must defend, indemnify and hold the City harmless from any and all third-party claims (even if the allegations of the lawsuit are without merit) or judgments for damages and from costs and expenses (including reasonable attorneys’ fees) to which the City may be subjected or which it may suffer or incur allegedly arising out of or in connection with any infringement by the Interior Advertising Provider, its agents or subcontractors of any copyright, trade secrets, trademark or patent rights or any other property or personal right of any third party in the conduct of the licensed activities. Insofar as the facts or law relating to any third-party claim would preclude the City from being completely indemnified by the Interior Advertising Provider, the City shall be partially indemnified by the Interior Advertising Provider to the fullest extent permitted by law.

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| <u>§59E-10(a)-(b)</u> | <u>Penalty: \$500-\$1,000 fine and/or suspension until compliance</u> | <u>Appearance REQUIRED</u> |
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§59E-11 General Requirements – Unlawful Activities Prohibited

(a) An Interior Advertising Provider must not use or permit any other person to use its business premises or office of record for any unlawful purpose.

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| <u>§59E-11(a)</u> | <u>Penalty: \$350-\$1,000 fine and/or suspension up to 30 days or revocation</u> | <u>Appearance REQUIRED</u> |
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(b) An Interior Advertising Provider must not conceal any evidence of a crime or violation connected with its business premises or office of record.

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| <u>§59E-11(b)</u> | <u>Penalty: \$350-\$1,000 fine and/or suspension up to 30 days or revocation</u> | <u>Appearance REQUIRED</u> |
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(c) An Interior Advertising Provider must immediately report to the Commission and the police any attempt to use its business premises to commit a crime or violation.

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| <u>§59E-11(c)</u> | <u>Penalty: \$100-\$350 fine and/or suspension up to 30 days</u> | <u>Appearance REQUIRED</u> |
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(d) An Interior Advertising Provider must not file with the Commission any statement that it knows or reasonably should know to be false, misleading, deceptive, or materially incomplete.

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| <u>§59E-11(d)</u> | <u>Penalty: \$10,000 fine and revocation</u> | <u>Appearance REQUIRED</u> |
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§59E-12 General Requirements – Notice to TLC

(a) Material Change in Information. An Interior Advertising Provider must notify the Commission in writing on a form approved by the Commission of any material change in the information contained in its current Interior Advertising Provider License application or renewal, including but not limited to Information Security & Use of Personal Information Policies.

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| <u>§59E-12(a)</u> | <u>Penalty: \$500-\$1,000 fine and/or suspension up to 30 days</u> | <u>Appearance REQUIRED</u> |
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(b) Suspension or Revocation of License. An Interior Advertising Provider must immediately notify the Commission in writing of any suspension or revocation of any license granted to the Interior Advertising Provider by, including but not limited to, any agency of the City or State of New York, or the government of the United States.

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| <u>§59E-12(b)</u> | <u>Penalty: \$500-\$1,000 fine and suspension until compliance</u> | <u>Appearance REQUIRED</u> |
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(c) Security Breach: An Interior Advertising Provider must inform the Commission in writing if it is required to make disclosures under State or Federal law regarding security breaches, including the New York State Information Security Breach and Notification Act (General Business Law §899-aa).

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| <u>§59E-12(c)</u> | <u>Penalty: 1,000 fine</u> | <u>Appearance REQUIRED</u> |
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§59E-13 Business Requirements – Mailing and Email Address

(a) Each Interior Advertising Provider must designate and provide to the Commission the street address of its primary Interior Advertising Provider location as its Mailing Address.

(b) An Interior Advertising Provider must have and provide to the Commission at all times a working Email Address and telephone number.

(c) An Interior Advertising Provider must report any change of Mailing Address, Email Address, and telephone number to the Commission in a form acceptable to the Commission.

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| §59E-13(a)-(c) | Penalty: \$100 fine | Appearance NOT REQUIRED |
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(d) Any communication from the Commission is sufficient if sent to the last Mailing Address or email address provided by the Interior Advertising Provider.

(e) Any communication from the Commission, except notices and summonses for which the manner of service is specified in §68-05 of these Rules, is sufficient if sent by email to the last Email Address provided to the Commission by the Interior Advertising Provider.

§59E-14 Business Requirements – Change in Business Ownership or Application Information

(a) Change to Application Information. An Interior Advertising Provider must notify the Commission of any changes to its application information, including the current contact information for its principal officers and shareholders, or that of an authorized representative of the principal officers and shareholders, as well as the location of its business premises, mailing address, corporate name, trade name, or any other material deviation from the description of or information regarding the Interior Advertising Provider as stated in the original or change application.

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| §59E-14(a) | Penalty: \$1,000-\$5,000 fine and suspension until consent of Commission is obtained or change in business ownership is withdrawn, or revocation | Appearance REQUIRED |
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§59E-15 Business Requirements – Gross Revenue Sharing

(a) Required Information. An Interior Advertising Provider must collect and transmit to the Commission on a monthly basis in a format, layout and procedure prescribed by the Commission,

(1) With respect to the Gross Revenue generated by interior advertising in For-Hire Vehicles:

(A) a list of TLC Driver license numbers for drivers who used an Approved Tablet provided by such Interior Advertising Provider month; and

(B) the Gross Revenue generated by each Approved Tablet provided by such Interior Advertising Provider and used by a driver in that month, including component elements such as the metrics by which Gross Revenue is calculated, measured, and recorded, and how compensation is accumulated on each Approved Tablet through those metrics, including but not limited to:

(i) The amount of time an Approved Tablet was accumulating revenue

(ii) The amount of time an Approved Tablet was broadcasting content

(C) the amount paid to the driver for that month.

(2) Timely Submission of Gross Revenue Records. An Interior Advertising Provider must submit Gross Revenue Records to the Commission by no later than the 15th day of each month, covering the preceding calendar month. For example, all September Gross Revenue records will be due on or by October 15th. The following penalties accrue with respect to each untimely submission of Gross Revenue Records.

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| <u>§59E-15(a)(2)</u> | <u>Penalty: \$500 for each day past the date the records are due if plead guilty before a hearing and suspension until compliance; \$550 for each day past the date the records are due if found guilty following a hearing and suspension until compliance. Fine amount not to exceed \$50,000.</u> | <u>Appearance NOT REQUIRED</u> |
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(3) Incomplete or Inaccurate Gross Revenue Records. Each set of Gross Revenue records submitted to TLC by an Interior Advertising Provider must be complete and accurate and include all information listed in and required by paragraph (1) of this subdivision. The following penalties accrue with respect to each Approved Tablet for which all required information was not submitted.

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| <u>§59E-15(a)(3)</u> | <u>Penalty: \$100 per incomplete or inaccurate Gross Revenue record for the first ten incomplete or inaccurate records and suspension until compliance; \$500 per each incomplete or inaccurate record thereafter and suspension until compliance. Fine amount not to exceed \$10,000.</u> | <u>Appearance NOT REQUIRED</u> |
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(b) Maintenance of Required Information. An Interior Advertising Provider must ensure that all required information listed above is kept and made available for inspection by Commission representatives during regular business hours. Required operational records must be maintained by the Interior Advertising Provider for a period of 18 months.

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| <u>§59E-15(b)</u> | <u>Penalty: \$100 if plead guilty before a hearing; \$150 if found guilty following a hearing.</u> | <u>Appearance NOT REQUIRED</u> |
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(c) Fee payment to Drivers. An Interior Advertising Provider must pay at least twenty-five percent (25%) of the Gross Revenue generated by the Interior Advertising System to each Driver leasing, using, or operating an Approved Tablet in a For-Hire Vehicle.

(1) An Interior Advertising Provider must not deduct any fees from Gross Revenue when calculating Gross Revenue to determine the minimum amount to be paid to each Driver operating an Approved Tablet, including but not limited to: credit card processing fees or charges, installation or deinstallation fees, operating fees, rental fees, fees paid to other licensees, damages, repair and replacement fees, deposits, taxes, fines, tips, surcharges, interest.

(2) When calculating Gross Revenue, an Interior Advertising Provider must not deduct any time that an Interior Advertising System is muted during a Driver’s shift.

(3) An Interior Advertising Provider must compensate each Driver operating an Approved Tablet in a For-Hire Vehicle on no less than a weekly basis. Payments to a Driver and access to these funds must be provided at no cost to the Driver, no later than two weeks after the broadcasting of the Electronic Media. The Interior Advertising Provider must pay the Driver, including any sublessee Drivers, and if the Interior Advertising Provider delegates or assigns this responsibility to another party, the Interior Advertising Provider is responsible for making full payment to the Driver if any designee or assignee fails to pay the Driver as required, and the Driver reports non-payment to the Interior Advertising Provider or the agent within three years.

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| §59E-15(c) | Penalty: First Violation: \$200 fine Second Violation: \$300 fine Third Violation: \$500 fine | Appearance REQUIRED |
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§59E-16 Business Requirements – – Sale, Lease or Use of Interior Advertising System

All of the following conditions apply with regard to an Interior Advertising Provider’s sale, lease, making available for use, and installation of an Interior Advertising System for use in a For Hire Vehicle:

(a) The Interior Advertising Provider must not sell, lease, make available for use, or install an Interior Advertising System for use in a For Hire Vehicle unless the Interior Advertising System has been approved by the Commission pursuant to this sub-chapter and the Interior Advertising System installed in the For Hire Vehicle is materially identical to the Interior Advertising System that was approved pursuant to §59E-05;

(b) Prior to the sale, lease, making available for use, or installation of an Interior Advertising System, an Interior Advertising Provider must present to the Driver a contract, or terms and conditions, meeting the requirements set forth in §59E-17 of these Rules. Such contract terms and conditions must be agreed to and signed or accepted by the Driver;

(c) Prior to installation of an Interior Advertising System, or prior to making an Interior Advertising System operational, the Interior Advertising Provider must offer to the Driver, at no additional charge, at least one training session on the proper use and operation of the Interior Advertising System. The content of the training must be sufficient to enable the Driver to properly operate the Interior Advertising System.

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| §59E-16(a)-(c) | Penalty: \$500-\$1,500 fine and/or suspension up to 60 days or revocation for each subdivision violated | Appearance REQUIRED |
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(d) The Interior Advertising Provider must reimburse the Driver for any and all Fines caused by a failure of the Interior Advertising or any of its Components, including the Approved Tablet and Approved Software to perform in accordance with the Interior Advertising requirements as required by §59E-22 of these Rules where such failure is not attributable to the acts or omissions of the Driver, the abuse or

misuse of the Interior Advertising System or other circumstances beyond the control of the Interior Advertising Provider. For purposes of this provision, the term “Fine” means any and all fees, fines, or financial penalties imposed on a Driver by the Commission or other any City agency, relating to interior advertising in For-Hire Vehicles.

(e) In the case of a Fine covered by subdivision (d) of this section, the Driver must make reasonable efforts to mitigate the amount of the Fine, including not operating the Interior Advertising System if the Driver knows or has reason to know the Approved Tablet or Approved Software is malfunctioning.

(f) If the Interior Advertising Provider subcontracts any services related to the Interior Advertising System, the Interior Advertising Provider will be fully responsible to the Driver for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by such subcontractors.

(g) Receipts to Drivers for all Payments.

(1) An Interior Advertising Provider must give a Driver a written or electronic receipt for every payment made under the contract and these Rules.

(2) The receipt must include

(A) the name of the Driver

(B) the TLC Driver license number

(C) the date

(D) the payment amount

(E) the payment purpose

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| <u>§59E-17(g)</u> | <u>Penalty: \$200 fine</u> | <u>Appearance NOT REQUIRED</u> |
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§59E-17 Business Requirements – Contract with Driver

The contract or agreement between the Interior Advertising Provider and the Licensed Driver for the lease, or use of an Approved Electronic Tablet, required by §59E-16 of these rules, must contain provisions specifying that:

(a) The Interior Advertising Provider agrees to compensate the Driver on no less than a weekly basis.

(b) Each party agrees that any limitation of liability in the contract or agreement shall not apply to any and all damages, fines, penalties, deficiencies, losses, liabilities, and expenses (including reasonable attorneys’ fees) arising from direct claims between the parties based on damage to real or tangible personal property, death or bodily injury caused by the negligent or willful conduct of a party.

(c) Termination of the relationship is permitted as follows:

(1) The Interior Advertising Provider must provide to the Driver de-installation, return, or removal of the Approved Tablet at no charge.

(2) The Interior Advertising Provider or the Driver may terminate the relationship upon ten (10) days written notice to the other party.

(d) The Interior Advertising Provider and the Driver will agree that the contract is deemed to be executed in the City and State of New York, regardless of the domicile of the parties, and is governed by and construed in accordance with the laws of the State of New York (notwithstanding New York choice of law or conflict of law principles) and the laws of the United States, where applicable.

(e) The Interior Advertising Provider and the Driver agree that any and all claims asserted by or against either party arising under or related to the contract will be heard and determined either in the courts of the United States located in the City of New York or in the courts of New York State located in the City of New York.

(g) Availability. The contract, or terms and conditions, must be made available to the Driver at all times. Electronic signatures are permissible for electronic contracts or terms and conditions and all signed electronic contracts or terms and conditions must be transmitted electronically to the Driver by the Interior Advertising Provider.

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| <u>§59E-17(g)</u> | <u>Penalty: \$500 fine</u> | <u>Appearance NOT REQUIRED</u> |
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(h) Retaliation. An Interior Advertising Provider must not retaliate against any Driver for making a good faith complaint against any Interior Advertising Provider for violation of the contract provisions or terms and conditions in §59E-17 of this sub-chapter. “Retaliation” will be broadly construed and will include imposing any adverse condition or consequence on the Driver or withholding or withdrawing any beneficial condition or consequence from the Driver.

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| <u>§59E-17(h)</u> | <u>Penalty: \$1,000 fine, plus restitution to the driver for losses for the first offense and a \$10,000 fine plus restitution to the driver for the second offense within five years.</u> | <u>Appearance NOT REQUIRED</u> |
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§59E-18 Business Requirements – Maintenance of Interior Advertising System

(a) Maintenance Service. The Interior Advertising Provider must provide to a Driver such maintenance services as are necessary to maintain the Interior Advertising System in good working order and in accordance with the requirements in §59E-24 of these Rules. Such maintenance services must include but not be limited to:

(1) Providing and installing replacement parts, and Hardware and Software Updates; and

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| §59E-18(a)(1) | Penalty: \$500-\$1,500 fine and/or suspension up to 60 days or revocation for each paragraph violated | Appearance REQUIRED |
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§59E-19 Business Requirements – Record-Keeping and Reporting Requirements

(a) Gross Revenue data and its component elements relating to any Approved Tablet must be stored, maintained, available, and accessible to the Commission and any designee at all times.

(b) Except in accordance with law, no third party other than the Commission or its designee may access data for transactions in which such third party was not involved and for which it had no responsibility;

(c) In the event of a failure or interruption in transmission of Gross Revenue data to the Commission or its designee, the Interior Advertising System must be capable of saving and restoring transmission of the data without any degradation of data integrity or loss of data;

(d) All data required to be collected and transmitted pursuant to this section must be transmitted according to a schedule prescribed by the Commission.

(e) Maintain Driver Information. An Interior Advertising Provider must maintain information of all Drivers with whom the Interior Advertising Provider has contracts or agreements.

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| §59E-19(a-e) | Penalty: \$500-\$1,000 fine and/or suspension up to 60 days or revocation | Appearance REQUIRED |
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(f) Record Retention Period. An Interior Advertising Provider must maintain the records required by this section for three (3) years.

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| §59E-19(f) | Penalty: \$500-\$1,000 fine and/or suspension up to 60 days or revocation | Appearance REQUIRED |
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(g) Examination of Records. An Interior Advertising Provider must allow any agent of the Commission or any law enforcement officer to examine at any time all of the records the Interior Advertising Provider is required to maintain under this sub-chapter.

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| §59E-19(g) | Penalty: \$500 fine and suspension until compliance | Appearance REQUIRED |
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(h) Inspection of Premises. An Interior Advertising Provider must allow any agent of the Commission or any law enforcement officer to inspect any portion of its business premises at any time, as permitted by law.

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| §59E-19(h) | Penalty: \$500-\$1000 fine and suspension | Appearance REQUIRED |
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§59E-20 Business Requirements – Use of Personal Information and Certain Location-Based Data

The Interior Advertising Provider must only collect, use, and process Identifying Information in accordance with the information security and use of identifying information policy it has on file with the Commission pursuant to subdivision (b) of §59E-05.

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| §59E-20 | Penalty: \$500-\$1000 fine and suspension | Appearance REQUIRED |
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§59E-21 Comply with Laws – Conduct Rules

(a) Acceptance of Gift or Gratuity. An Interior Advertising Provider, any person acting on the Interior Advertising Provider’s behalf and the Interior Advertising Provider’s employees must not accept any gift, gratuity, or thing of value from an owner or driver of any vehicle licensed by the Commission or from anyone acting on behalf of an owner or driver for the purpose of violating any of these rules through acts of commission or omission.

(b) Reporting Requests for Gift or Gratuity. An Interior Advertising Provider, any person acting on the Interior Advertising Provider’s behalf and the Interior Advertising Provider’s employees must immediately report to the Commission and the NYC Department of Investigation any request or demand for a gift, gratuity, or thing of value by any employee, representative, or member of the Commission or by any public servant.

(c) Offer of Gifts and Gratuities. An Interior Advertising Provider or any person acting on the Interior Advertising Provider’s behalf and the Interior Advertising Provider’s employees must not offer or give any gift, gratuity, or thing of value to any employee, representative, or member of the Commission or to any other public servant.

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| §59E-21(a-c) | Penalty: \$10,000 fine and revocation | Appearance REQUIRED |
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(d) Reporting Offers of Gift or Gratuity. An Interior Advertising Provider must notify the Commission immediately by telephone and in writing or email within 24 hours after receiving any offer of a gift or gratuity prohibited by subdivision (a) of this section.

(e) Fraud, Misrepresentation & Larceny. An Interior Advertising Provider, while performing its duties and responsibilities as an Interior Advertising Provider, must not commit or attempt to commit, alone or in concert with another, any act of fraud, misrepresentation, or larceny. Examples of fraud, misrepresentation or larceny include, but are not limited to:

- (1) falsification of Gross Revenue data;
- (2) adjustment or manipulation of the Interior Advertising System;

(3) falsification of Trip Data.

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| <u>§59E-21(d)-(e)</u> | <u>Penalty: \$10,000 fine and revocation</u> | <u>Appearance REQUIRED</u> |
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(f) Willful Acts of Omission and Commission.

(1) Omission. While performing the duties and responsibilities of an Interior Advertising Provider, an Interior Advertising Provider must not deliberately fail to perform, alone or with another, any act whose failure to perform is against the best interests of the public, although not specifically mentioned in these Rules.

(2) Commission. While performing the duties and responsibilities of an Interior Advertising Provider, an Interior Advertising Provider must not deliberately perform, alone or with another, any act that is dishonest, fraudulent or against the best interests of the public, although not specifically mentioned in these Rules.

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| <u>§59E-21(f)</u> | <u>Penalty: \$150-\$350 fine and/or suspension up to 30 days or revocation</u> | <u>Appearance REQUIRED</u> |
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(g) Notice of Criminal Conviction.

(1) An Interior Advertising Provider must notify the Commission in writing within two (2) days after any criminal conviction of the Interior Advertising Provider or any of the Interior Advertising Provider's Business Entity Persons.

(2) Such notification must be in writing and must be accompanied by a certified copy of the certificate of disposition of the conviction issued by the clerk of the court.

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| <u>§59E-21(g)</u> | <u>Penalty: \$500-\$1,000 fine and/or suspension up to 30 days</u> | <u>Appearance REQUIRED</u> |
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(h) Threats, Harassment, Abuse. An Interior Advertising Provider must not threaten, harass, or abuse any governmental or Commission representative, public servant, or other person while performing their duties and responsibilities as a Licensee.

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| <u>§59E-21(h)</u> | <u>Penalty: \$350-\$1,000 fine and/or suspension up to 30 days or revocation</u> | <u>Appearance REQUIRED</u> |
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(i) Use or Threat of Physical Force. An Interior Advertising Provider must not use or attempt to use any physical force against a Commission representative, public servant, or other person while performing their duties and responsibilities as a Licensee.

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| §59E-21(i) | Penalty: \$500-\$1,500 fine and/or suspension up to 60 days or revocation | Appearance REQUIRED |
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(j) Failure to Cooperate with Law Enforcement. An Interior Advertising Provider must cooperate with all law enforcement officers and representatives of the Commission at all times.

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| §59E-21(j) | Penalty: \$250 fine | Appearance NOT REQUIRED |
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(k) Failure to Cooperate with the Commission. An Interior Advertising Provider must answer and comply as directed with all questions, communications, notices, directives, and summonses from the Commission or its representatives. An Interior Advertising Provider must produce their Commission License and other documents whenever the Commission requires.

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| §59E-21(k) | Penalty: \$250 fine and suspension until compliance | Appearance REQUIRED |
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§59E-22 Technical Requirements – Approved Electronic Tablet

No Electronic Tablet or Interior Advertising Software will be approved by the Commission pursuant to this sub-chapter unless it complies with the all the requirements set forth in this section, unless such requirements are waived or modified by the Commission pursuant to subdivision (e) of §59E-05 of these Rules.

(a) Driver, vehicle, and software authentication.

(1) Upon boot-up, the Electronic Tablet must automatically check for and install any Software Updates prior to allowing the Driver to engage the Electronic Tablet.

(2) Unless assigned to a specific Driver, the Electronic Tablet must only allow the Driver to engage the Electronic Tablet and Approved Software upon log-in using either biometrics or username and password, validated against a system-initiated search of Valid TLC Licenses.

(3) If any required functionality or hardware is disconnected or inoperable, the Interior Advertising Provider must notify the Driver that the Electronic Tablet needs to be serviced and must not allow any Driver to engage the Electronic Tablet until the Electronic Tablet is repaired to full functionality or replaced.

(4) The Electronic Tablet must automatically log a Driver out of the Electronic Tablet if another Driver logs into the Electronic Tablet.

(5) The Electronic Tablet must prevent a Driver from logging into more than one Electronic Tablet at the same time.

(b) Driver functionality and interaction.

(1) Unless the Electronic Tablet is assigned to a specific Driver, the Interior Advertising System must enable the Driver to log off and log on.

(2) The Interior Advertising System must allow a Driver to interact with the Electronic Tablet and/or Approved Software ONLY when the Vehicle is standing or stopped, except that the Electronic Tablet may permit a Driver to engage or disengage the Electronic Tablet with a single touch using pre-programmed buttons or using voice activation while the vehicle is in motion.

(c) Passenger functionality and interaction.

(1) Any Passenger-facing screen displaying third-party content must be authorized by the TLC and adhere to the following specifications:

(A) the Passenger must be able to turn off any Passenger-facing screen (i.e. render the screen blank and muted) at any time, without obstruction

(B) the volume of any Passenger-facing device must be mutable and must be controlled by the Passenger, without obstruction, and

(C) a Passenger-facing screen must display content that includes a reminder about the payment of a gratuity from a passenger to a driver.

(2) any Passenger-facing device that displays third-party content must display content provided by the TLC, subject to the following limitations:

(A) The content provided by the TLC will be in the same format as the third-party content displayed by the Passenger-facing device, and

(B) At least fifteen percent (15%) of the Passenger-facing device's advertising airtime will be comprised of TLC-provided content.

(i) If an Interior Advertising System is integrated with a High Volume For-Hire Service (i.e. Passenger information is shared), the 15% advertising airtime must be calculated and played/broadcasted based upon each new dispatched trip.

(ii) If an Interior Advertising System is not integrated with a High Volume For-Hire Service (i.e. Passenger information is not shared), the 15% advertising airtime must be calculated and played/broadcasted on an hourly basis.

(3) Specific Passenger-facing functions:

(A) No internet browser capability.

(B) Only advertisements, personalized content, and games, that adhere to the content requirements in this chapter, through a software application.

(C) No payment transaction capability.

(D) No capturing of identifying information, as defined by NYC Ad. Code §12-2301 and the Office of Technology and Innovation Privacy Protection Protocols.

(E) An Approved Tablet may facilitate gratuities to the Driver through the means provided in Chapter 59B of these rules.

(4) Accessibility. Interior Advertising Providers must provide the following accommodations for Passengers with vision disabilities:

(A) the ability for a Passenger with a vision disability to engage Approved Tablet features without requiring the assistance of a Driver

(B) audio instructions that include a reminder about the payment of a gratuity from a passenger to a driver

(5) Approved Tablets must not contain sharp features, such as corners, and must remain securely mounted or attached to a stationary component of a For-Hire Vehicle.

(d) Interior Advertising System interoperability.

The Interior Advertising System must be able to receive any Commission mandated change to the Approved Tablet and/or Approved Software via wireless communication initiated by the Interior Advertising Provider.

(e) Advertisements and other passenger-facing content other than TLC-provided content.

All Approved Tablets must conform to the following specifications:

(1) All Passenger-facing content must comply with TV-Y through TV-G ratings in accordance with the standards established by the TV Parental Guidelines rating system from 8AM – 8PM daily or a similar rating in industries where such rating exist, e.g. the Entertainment Software Rating Board's rating system for video games.

(2) No Passenger-facing content may contain, imply, or declare endorsement by the City, the Commission, or any other agency of the City without the prior written consent of the Commission;

(3) No Passenger-facing content may contain any content that falls within the following categories:

(A) Advertisements or any other material or information promoting unlawful or illegal goods, services, or activities;

(B) Advertisements or any other images, material or information containing obscene images or material (see New York Penal Law 235.00, as such provision may be amended from time to time);

(C) Advertisements or any other material, images, or description, which, if sold or loaned to a minor for monetary consideration with knowledge of its character or content, would give rise to a violation of New York Penal Law 235.21 (see also New York Penal Law 235.20) as such provisions may be amended from time to time;

(D) Advertisements or any other images, material or information that are libelous, defamatory, infringe intellectual property rights, including but not limited to trademark, copyright or patent rights, of a third party, or violate New York Civil Rights Law Section 50, as such provisions may be amended from time to time;

(E) Advertisements or any other images, material or information that demean or disparage an individual or group of individuals. For purposes of determining whether any such advertisements or other images, material or information demean or disparage an individual or group of individuals, the Interior Advertising Provider will determine whether a reasonably prudent person of the For-Hire Vehicle ridership using prevailing community standards, would believe that such advertisements or other images, material or information ridicule or mock, are abusive or hostile to, or debase the dignity or stature of, an individual or group of individuals;

(F) Advertisements or any other material or information that propose a commercial transaction where the material or information contained in it is false, misleading, or deceptive; and

(G) Advertisements or any other material or information that propose a commercial transaction pertaining to or promote tobacco or tobacco-related products;

(f) Security.

All features of the Interior Advertising System required by this section, including the collection, transmission and maintenance of data by the Interior Advertising Provider, must comply and remain in compliance with the latest version of National Institute of Standards and Technology Special Publication 800-53 and the information security and use of identifying information policy the Interior Advertising Provider has on file with the TLC pursuant to subdivision (b) of §59E-05.

(g) Data Retention.

All data required to be collected, transmitted and maintained pursuant to this section must be maintained for at least three (3) years.

(h) Inspection by TLC.

The Interior Advertising Provider must enable the Commission to inspect all components, including Hardware and mounting of the Interior Advertising System.

(i) Only one Approved Tablet may be operated in a For-Hire Vehicle at any one time, pursuant to subdivision (i) of §59E-22.

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| <u>§59E-22(i)</u> | <u>Fine: \$100 if plead guilty before a hearing; \$150 if found guilty following a hearing.</u> | <u>Appearance NOT REQUIRED</u> |
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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: Rules Relating to Interior Advertising in For-Hire Vehicles

REFERENCE NUMBER: 2024 RG 054

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

Date: November 26, 2024

Senior Counsel

**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: Rules Relating to Interior Advertising in For-Hire Vehicles

REFERENCE NUMBER: TLC-149

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 the violation cannot be corrected or undone.

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

November 27, 2024
Date