

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 August 14, 2024. The hearing will be held in the hearing room at 33 Beaver Street – 19th Floor, New York, NY 10004.

The hearing room is wheelchair accessible and CART will be provided in the meeting room.

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

- **Website.** You can submit comments to the Taxi and Limousine Commission through the NYC rules website at www.nyc.gov/nycrules.
- **Email.** You can email comments to tlcrules@tlc.nyc.gov.
- **Mail.** You can mail comments to the Taxi and Limousine Commission, Office of Legal Affairs, 33 Beaver Street – 22nd Floor, New York, NY 10004.
- **Fax.** You can fax comments to the TLC at 212-676-1102.
- **By speaking at the hearing.** 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 August 13, 2024. 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 August 14, 2024.

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 August 13, 2024. 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 2024 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.

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 ensure content standards, safety features, privacy protection, and security

requirements of 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 before displaying any content.

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 that owns, sells, leases, makes available for use, provides or supplies Approved Electronic Tablets and Software for Interior Advertising Systems in For-Hire Vehicles

Interior Advertising System is an integrated system of Approved Electronic Tablets and Software installed in For-Hire Vehicles that complies with the technical requirements set forth in Sub-Chapter 59E of these Rules

Electronic Tablet/Approved Tablet/Approved Electronic Tablet is used interchangeably and refers 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 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 includes but is 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.

§59A-18(d)	Penalty: First Violation: \$1,000 fine Second Violation: \$1000 and/or Suspension for up to 30 days	<u>Appearance NOT REQUIRED</u>
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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 for revenue generated from an Interior Advertising System.

§59A-21(c)(5)	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 lessor must 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 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 following the provisions in Sub-Chapter 59E of these Rules.

§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 one-touch preprogrammed buttons or keys while the Vehicle is in motion:

§59A-31(f)	Fine: \$250 if plead guilty before a hearing; \$350 if found guilty following a hearing.	Appearance NOT REQUIRED
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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.

<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 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 includes but is 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.

<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 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 these Rules.

§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), added to read as follows:

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

§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 – Nondiscrimination.* No High-Volume For-Hire Service may discriminate against or impose any negative consequences on a Driver based on whether 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 includes but is 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

§59D-20(f)	Penalty: First Violation: \$1,000 fine Second Violation: \$1,000 and/or Suspension for up to 30 days	Appearance NOT REQUIRED
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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.

§80-11(g)	Fine: \$250 if plead guilty before a hearing; \$350 if found guilty following a hearing.	Appearance NOT REQUIRED
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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.

§80-12(q)	Fine: \$250 if plead guilty before a hearing; \$350 if found guilty following a hearing.	Appearance NOT REQUIRED
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Section 13. Paragraph (1) of subdivision (g) of section 80-14 of Title 35 of the Rules of the City of New York is 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.

§80-14(g)(1)	Fine: \$250 if plead guilty before a hearing; \$350 if 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. 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.	Appearance NOT REQUIRED
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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 as 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.

§80-15(m)	Fine: First violation: \$250 if plead guilty before a hearing; \$350 if found guilty following a hearing; Second and subsequent violations: \$350 if plead	Appearance NOT REQUIRED
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	<u>guilty before a hearing; \$450 if found guilty following a hearing.</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.

<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. Subdivision (k) of section 80-17 of Title 35 of the Rules of the City of New York is added to read as follows:

- (k) No Passenger Payment Through Approved Tablet. A Driver must not operate an Approved Tablet with passenger payment capabilities and must not accept payment from a Passenger through any Approved Tablet

<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 amended to read as follows:

- (b) Inspection by Driver of Vehicle Condition. A Driver must not operate a Vehicle without continuing personal inspection and reasonable determination that all equipment, including brakes, tires, lights, an Approved Tablet, signals and passenger seatbelts and shoulder belts, is in good working order.

<u>§80-22(b)</u>	<u>Fine: \$[50]75 if plead guilty before a hearing; \$[75]100 if found guilty following a hearing.</u>	<u>Appearance NOT REQUIRED</u>
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Section 18. Subdivision (k) of section 80-22 of Title 35 of the Rules of the City of New York is added to read as follows:

- (k) Use of Approved Tablets in For-Hire Vehicles. A For-Hire Vehicle Driver is permitted one

Approved Tablet per For-Hire Vehicle, pursuant to §59E-24(i). The tablet must be mounted in a fixed position and not hand-held .

<p><u>§80-22(k)</u></p>	<p><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></p>	<p><u>Appearance NOT REQUIRED</u></p>
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Section 19. It is hereby proposed to amend Title 35 of the Rules of the City of New York by adding a new sub-chapter 59E, to read as follows:

<u>SUB-CHAPTER 59E</u>	<u>INTERIOR ADVERTISING PROVIDERS</u>
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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 suspension, revocation, and other penalties.

(b) Specific Penalties.

If there are specific penalties for violating a Rule, they will be shown at the end of the Rule. The penalty section 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 Taxi and Limousine Tribunal 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 of License; Suspension; Revocation

(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 of 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 with Drivers for the 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 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) the dates during which the License is suspended,

(B) that the Driver has the option to terminate its contract 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

(D) that the Driver must immediately remove the Approved Tablet from the For-Hire Vehicle

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

(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, hat

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

(ii) its contract 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 with Drivers for Gross Revenue sharing, sale, lease or use of an Approved Tablet under the revoked License, or

(ii) renew existing contracts 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.

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

(a) Applicant in this sub-chapter 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. Any information that can specifically identify or locate an individual, such as 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 in this sub-chapter means a business that has been licensed by the Commission 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 System in this sub-chapter 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 on 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

(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), above.

(h) Corporate or LLC Filings. When the Applicant is a corporation, it must file with the secretary of state(s) in which the Applicant is incorporated.

(1) An Applicant must provide a list of its officers and shareholders that own at least a 10% share of the company, including names, residence addresses, telephone numbers, and percentage of ownership interest of each such shareholder.

(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

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

(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 §59E-05(b) below adequately demonstrates that the Interior Advertising complies with all of the requirements set forth in §59E-24 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. All documentation pertaining to an independent third party must be accompanied by a signed authorization from the Applicant authorizing the Commission to contact the independent third party directly and authorizing the independent third party to respond to inquiries from the Commission regarding the Application.

(1) Documentation, to be renewed and resubmitted to the TLC every twelve (12) months, demonstrating that an independent third party has performed security testing of the Interior Advertising System and related services to determine compliance with the security standards set forth by Citywide Cybersecurity Policies and Standards set forth by NYC Cyber Command or as such standards may be waived or modified by the Commission pursuant to subdivision (e) of this section, and the successful results of the security testing; and

(2) A detailed system design document, functional system description, and 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 into 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 Personal 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 Personal 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 through the Interior Advertising System and comply with Citywide Office of Technology and Innovation Privacy Protection Protocols.

(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 any retained vehicle location records, without such passenger's affirmative express consent.

(6) Software Bill of Materials. The Applicant must submit a deployed software bill of materials ensuring integrity and security of Software that will be approved through contractual agreements, software releases, software updates, notifications, and mitigations of vulnerabilities.

(c) Modification of Interior Advertising System. The Interior Advertising Provider must submit an application for approval of any Modification of the Interior Advertising System, including all documentation required by subdivision (b) of this section.

(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 and also certify that all prior certifications by independent third parties submitted to the Commission are still valid.

(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.

§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 (d) of this section.

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

(c) Late Filing Fee. If the Commission allows a late filing for a renewal application, there will be an additional late filing fee of \$50.

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

(e) 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,” if the Applicant pays a late fee of \$50. 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.

(f) 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 (e) 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.

<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 licenses and permits required by applicable local, state, or federal law.

(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.

<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 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.

<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.

<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.

<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.

<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.

<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.

§59E-12(a)	Penalty: \$500-\$1,000 fine and/or suspension up to 30 days	Appearance REQUIRED
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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 any agency of the City or State of New York, or the government of the United States.

§59E-12(b)	Penalty: \$500-\$1,000 fine and suspension until compliance	Appearance REQUIRED
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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).

§59E-12(c)	Penalty: 1,000 fine	Appearance REQUIRED
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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 a working Email Address and telephone number, at all times.

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

§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) Approval for Transfer of Ownership. An Interior Advertising Provider must not make any change in the officers, directors, members, partners or general partners or transfer any ownership interest in the Interior Advertising Provider, if such transfer would result in a new principal shareholder, without the prior notification to the Commission. This prohibition includes the transfer of any ownership interest and any agreement to transfer an ownership interest in the future.

§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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(b) Approval for Change to Application Information. An Interior Advertising Provider must obtain the Commission’s approval before making any change in the location of its business premises, mailing address, corporate name, trade name, or any other material deviation from the description of the Interior Advertising Provider as stated in the original or change application.

§59E-14(b)	Penalty: \$500-\$1,000 fine	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 for interior advertising in For-Hire Vehicles:

(A) a list of TLC Driver license numbers for drivers who used an Approved Tablet that month

(B) the Gross Revenue generated by each Approved Tablet in that month, which was used by a driver

(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.

§59E-15(a)(2)	Penalty: \$500 for each day past the date the records are due if plead guilty before a hearing and suspension until	Appearance NOT REQUIRED
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	<u>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>	
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(3) Incomplete or Inaccurate Gross Revenue Records. With respect to all Gross Revenue records submitted to TLC, each set of submitted records 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.

<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 make sure 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.

<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 each Driver leasing, using, or operating an Approved Tablet in a For-Hire Vehicle at least twenty-five percent (25%) of the Gross Revenue generated by the Interior Advertising System.

(1) An Interior Advertising Provider must not deduct any fees from Gross Revenue when calculating Gross Revenue to determine the hourly pro rata share 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, damages, repair and replacement fees, deposits, taxes, fines, tips, surcharges, interest, contract termination/cancellation charges.

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

(3) An Interior Advertising Provider must pay 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 one week 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 Driver reports non-payment to the Interior Advertising Provider or the agent within 90 days of non-payment.

§59E-15(c)	<u>Penalty:</u> <u>First Violation: \$200 fine</u> <u>Second Violation: \$300 fine</u> <u>Third Violation: \$500 fine</u>	<u>Appearance REQUIRED</u>
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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 identical to the Interior Advertising System that was approved;

(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 for execution by the Interior Advertising Provider and the Driver that meets the requirements set forth in §59E-17 of these Rules;

(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.

§59E-16(a)-(c)	<u>Penalty: \$500-\$1,500 fine and/or suspension up to 60 days or revocation for each subdivision violated</u>	<u>Appearance REQUIRED</u>
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§59E-17 Business Requirements – Contract with Driver

The contract between the Interior Advertising Provider and the Licensed Driver for the lease, or use of an Approved Electronic Tablet must contain provisions specifying that:

(a) The Interior Advertising Provider agrees to provide the Driver weekly payments with all revenue itemized, no later than one week after the broadcasting of the Electronic Media.

(b) Each party agrees that any limitation of liability in the contract 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) The term of the contract may be for periods of time up to two (2) years including renewals, but such contract renewals shall be subject to the renewal of the Interior Advertising Provider’s License.

(1) The fees provided for in the contract may not be raised during the term of the contract unless both parties agree.

(2) The Interior Advertising Provider must provide the Driver with a renewal contract with new terms or notification of non-renewal at least ninety (90) days but no more than one hundred and twenty (120) days before the existing contract term end date. Failing to provide adequate notice to the Driver, the contract may be extended, at the discretion of the Driver, for ninety (90) days from date of receipt of renewal contract or notification of non-renewal.

(d) Termination of the contract is permitted as follows:

(1) If either party defaults in the performance of any of its material obligations under the contract, and does not cure the default within fifteen (15) days of receipt of a reasonably detailed written notice of default from the other party, then the non-defaulting party may terminate the contract for cause by giving a written notice of termination;

(2) The Driver may terminate the contract by giving written notice of termination if:

(A) an Interior Advertising System is taken out of service because the Interior Advertising Provider is not in compliance with the Interior Advertising requirements, and

(B) the Interior Advertising Provider fails to cure the noncompliance within ten (10) days after receiving written notice of such noncompliance by the Driver.

(3) If the Interior Advertising Provider's License is not renewed, the Interior Advertising Provider must immediately notify the Driver of the expiration date of the License, and the contract will be deemed terminated by the Driver on the ninetieth (90th) day after the expiration date or may be terminated earlier by the Driver by giving written notice of termination.

(4) If the Interior Advertising Provider's License has been suspended by the Taxi and Limousine Commission for a period of thirty (30) days or more, the Interior Advertising Provider must immediately notify the Driver of the dates during which the License is suspended. Upon notification, but prior to the end of the suspension, the Driver may opt to terminate the contract by giving written notice to the Interior Advertising Provider.

(5) If the Interior Advertising Provider's License has been revoked by the Taxi and Limousine Commission, the Interior Advertising Provider must immediately notify the Driver of the revocation date. The contract will be deemed terminated by the Driver on the ninetieth (90th) day after the revocation date or may be terminated earlier by the Driver giving written notice of termination. Within one hour of notice of revocation, all use of the Interior Advertising System must cease.

(6) If the Driver terminates the contract for the reasons provided in paragraphs one through five, the Interior Advertising Provider must provide to the Driver de-installation, return, or removal of the Approved Tablet at no charge.

(7) The Driver may terminate the contract at any time and for any reason if at least thirty (30) days written notice is given to the Interior Advertising Provider.

(8) The Interior Advertising Provider or the Driver may terminate the contract upon ten (10) days written notice to the other party:

(A) if such other party ceases to do business; or

(B) in the case of the insolvency of, or commencement of any proceeding by or against, the other party, either voluntary or involuntary, under the Bankruptcy Code, or relating to the insolvency, receivership, liquidation, or composition of the other party for the benefit of creditors.

(e) 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-24 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.

(f) In the case of a Fine covered by subdivision (e) 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.

(g) 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.

(h) 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.

(i) 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.

(j) Receipts to Drivers for all Payments.

(1) An Interior Advertising Provider must give a Driver a written or electronic receipt for every payment or deduction 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 For Hire Vehicle license number

(D) the date

(E) the payment amount

(F) the hourly pro rata Gross Revenue breakdown

(G) the payment purpose

(H) the number of the section of this sub-chapter that authorizes the payment

<u>§59E-17(j)</u>	<u>Penalty: \$200 fine</u>	<u>Appearance NOT REQUIRED</u>
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(k) Contract must be in writing. Every Interior Advertising Provider contract with a Driver must be in writing and must be signed by the Driver. Electronic signatures are permissible for electronic contracts.

<u>§59E-17(k)</u>	<u>Penalty: \$500 fine</u>	<u>Appearance NOT REQUIRED</u>
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(l) Terms. Every contract must contain the following terms: The contract must state the beginning date and time of the contract and the ending date and time of the contract.

(1) A weekly contract must run for seven consecutive calendar days.

(2) A shift must run for 12 consecutive hours.

<u>§59E-17(l)</u>	<u>Penalty: \$500 fine</u>	<u>Appearance NOT REQUIRED</u>
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(m) 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 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.

<u>§59E-17(m)</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 preventive and remedial maintenance of the Interior Advertising System at a maintenance facility;

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

(3) Maintaining a maintenance log for each Interior Advertising System installed by the Interior Advertising Provider that states in detail all preventive maintenance, remedial maintenance and other actions performed on such Interior Advertising System. The Interior Advertising Provider must provide a copy of the maintenance log when a Driver or the Commission requests one.

<u>§59E-18(a)(1)-(3)</u>	<u>Penalty: \$500-\$1,500 fine and/or suspension up to 60 days or revocation for each paragraph violated</u>	<u>Appearance REQUIRED</u>
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§59E-19 Business Requirements – Record-Keeping and Reporting Requirements

(a) Gross Revenue data and its component elements must be stored, maintained and accessible to the Commission and any designee.

(b) Upon request by the Commission, Interior Advertising Providers must create, modify, and maintain web services as prescribed by the Commission that facilitate the querying and downloading of Gross Revenue data, as well as hardware model numbers and software version numbers of each Interior Advertising System operating in a For Hire Vehicle.

(c) Gross Revenue data relating to any Approved Tablet must be available and accessible to the Commission at all times.

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

(e) In the event of a failure or interruption in transmission of Gross Revenue data, 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;

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

(g) Maintain Contracts with Drivers. An Interior Advertising Provider must maintain copies of all active contracts for the use of the Interior Advertising System.

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

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

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

<u>§59E-19(j)</u>	<u>Penalty: \$500-\$1000 fine and suspension</u>	<u>Appearance REQUIRED</u>
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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 TLC pursuant to subdivision (b) of §59E-05.

<u>§59E-20</u>	<u>Penalty: \$500-\$1000 fine and suspension</u>	<u>Appearance REQUIRED</u>
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§59E-21 Business Requirements – Cooperation with the Commission

(a) The Interior Advertising Provider must make commercially reasonable efforts, as described in this section, to cooperate with the Commission, its designees and any contractor(s) of the Commission:

(1) in the development and support of any application(s) developed by the Commission or the Commission’s designees, where such applications are developed specifically for the purpose of interoperating with the Interior Advertising System (including but not limited to smartphone applications).

<u>§59E-21</u>	<u>Penalty: \$5,000 fine and suspension until compliance</u>	<u>Appearance REQUIRED</u>
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§59E-22 Comply with Laws – Conduct Rules

(a) Acceptance of Gift or Gratuity. An Interior Advertising Provider or any person acting on the Interior Advertising Provider’s behalf or any of 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, or any of 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 or any of 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.

<u>§59E-22(a-c)</u>	<u>Penalty: \$10,000 fine and revocation</u>	<u>Appearance REQUIRED</u>
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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.

<u>§59E-22(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.

<u>§59E-22(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) 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.

<u>§59E-22(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.

<u>§59E-22(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.

<u>§59E-22(i)</u>	<u>Penalty: \$500-\$1,500 fine and/or suspension up to 60 days or revocation</u>	<u>Appearance REQUIRED</u>
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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.

<u>§59E-22(j)</u>	<u>Penalty: \$250 fine</u>	<u>Appearance NOT REQUIRED</u>
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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.

<u>§59E-22(k)</u>	<u>Penalty: \$250 fine and suspension until compliance</u>	<u>Appearance REQUIRED</u>
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§59E-23 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) 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 the extent practicable.

(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) The Interior Advertising System must enable the Driver to log off and log on.

(2) The Interior Advertising System must be capable of generating End-of-Shift Data for the Driver that can be printed from the Electronic Tablet or accessed electronically through the Approved Software, at the Driver's preference. End-of-Shift Data must contain the following information:

(A) FHV License number;

(B) Driver's License number;

(C) shift start date and time;

(D) shift end date and time;

(E) Gross Revenue generated by the Electronic Tablet

(3) 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. All other uses of the Electronic Tablet by the Driver must be velocity gated to prevent its use 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) a Passenger-facing screen must display a prologue provided by the TLC at the start of each trip

(B) following the TLC-provided prologue, a Passenger-facing screen must clearly give passengers an opportunity to mute and/or turn off the screen prior to displaying any third-party content

(C) following the TLC-provided prologue, a Passenger-facing screen must clearly give passengers an opportunity to provide express consent for use of passenger geolocation and identifying information with a click-through

(D) 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

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

(F) a Passenger-facing screen must display content that includes a reminder about the payment of a gratuity from a passenger to a driver prior to displaying any third-party content.

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

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

(ii) At least fifteen percent (15%) of the Passenger-facing device's content will be comprised of TLC-provided content. The TLC required prologue will not be counted against the fifteen percent requirement for TLC-provided content.

(2) Specific Passenger-facing functions:

(A) No internet browser capability.

(B) Only advertisements and games, 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.

(3) 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 accessibility 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

(4) 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.

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, modified, or supplemented 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, modified, or supplemented 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, modified, or supplemented 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, knowledgeable of the For-Hire Vehicle ridership and 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, maintenance, and of data by the Interior Advertising Provider, must comply with security regulations and industry standards that are applicable to the Software and Hardware licensed to the City, including the provision of all critical security updates and patches. The Interior Advertising System must conform to the most up-to-date versions of the following security standards and Citywide Cybersecurity Policies and Standards:

(1) NYC Cyber Command Cybersecurity Requirements for Venders and Contractors.

(2) 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, pursuant to subdivision (i) of §59E-24.

<u>§59E-23(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 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-142

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 and because a cure period is not practicable under the circumstances.

/s/ Francisco X. Navarro

Mayor's Office of Operations

July 10, 2024

Date

**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: July 9, 2024

Senior Counsel