

Q & A for the report to the New York City Council, *Curbing For-Hire Vehicle Stockpiling in the Manhattan Core*, by Charles Komanoff

NB: This Q&A is written by Komanoff and does not purport to represent the New York City Council.

Q: Where may we view and download the report?

A: The report is available at this link:

http://www.komanoff.net/cars_II/Curbing_FHV_Stockpiling_in_Manhattan_Core.pdf

Q: Why 11 cents?

A: The 11 cent charge for each minute an empty FHV occupies the Manhattan taxi zone is calibrated to the \$13 congestion toll that was anticipated to take effect early this year but was derailed by the pandemic and the Trump administration's hold. Charging \$13 for a private auto to enter the Manhattan Central Business District would have "captured" 14 percent of that auto trip's "congestion causation." Likewise, charging Uber or Lyft 11 cents for each minute any of its vehicles occupy the Manhattan taxi zone equates to 14 percent of *that* vehicle's per-minute congestion causation. (See report p 12 for details.)



Curbing For-Hire Vehicle Stockpiling in the Manhattan Core

Empty-Vehicle Charges for Ride-Hail Companies



A report to the New York City Council
By Charles Komanoff
January 2021

Q: What is peak, what is off-peak?

A: Peak hours are non-holiday weekdays, 6 am – 8 pm. Off-peak is all other times: 8 pm – am weekdays and all 24 hours on holidays and weekends. The off-peak charge would be half of the peak charge, reflecting lesser congestion causation and less-robust transit alternatives.

Q: Will taxis as well as for-hire vehicles pay the empty-vehicle charge?

A: No.

Q: Why not?

A: The volume of taxicabs (capped by statute at 13, 587) is so much less than the number of ride-hail vehicles (capped at around 100,000) that empty taxis exert a far smaller drag on traffic movement than empty FHV's. Moreover, taxis' business model depends on their "cruising" — being driven without a passenger — making it both impractical and inequitable to charge them for empty minutes. Last, taxi owners and drivers have invested equity by purchasing medallions, in return for which they gained exclusive franchise rights — until those rights were breached by the advent of ride-hail services; an ancillary benefit of the empty-FHV charge is that it restores part of the lost equity.

Q: Does the report reflect pandemic-related changes in traffic patterns?

A: No. The report is based on traffic levels and speeds that were established prior to the winter of 2020, when it was researched and written.

Q: How would the findings and recommendations change if the report were updated?

A: That would depend on the level of the congestion charge on private autos. The principle underlying the choice of the 11-cent charge is to equate the share of empty for-hire vehicles' congestion-causation recouped by the FHV charge, to the share of private autos' congestion-causation recouped by the pending congestion toll on autos. Raising the congestion toll beyond the \$13 level assumed in the report would therefore warrant a proportional rise in the empty-vehicle charge.

Q: The report's calculations and findings assume congestion pricing. Do you recommend charging for empty-FHV time *without* having congestion pricing?

No. As noted, the charge's rationale and its calculated level depend on charging private cars for compounding Manhattan congestion. Absent the congestion charge, an empty-FHV charge would, in my opinion, be disproportionate and inequitable.

Q: Does the City of New York have legal authority to implement the empty-FHV charge on its own, without action by New York State?

A: A 1957 amendment to New York State vehicle and traffic law, [VTL Section 1642\(a\)\(4\)](#), expressly provides that cities with over a million residents (i.e., New York City) may impose "tolls, taxes, [and] fees ... for the use of the highway or any of its parts where the imposition thereof is authorized by law." In recent years, experts on city-state legislative authority including Frederick A.O. Schwarz Jr., chief counsel of the Brennan Center for Justice at NYU Law School and former director of the NYC Law Department and former chair of the New York City Charter Revision Commission, [have affirmed](#) that the city possesses full legal authority to toll its own roads and bridges. (The link is to a 2017 op-ed by Schwarz in Crain's NY, which may be behind a paywall. I summarized the op-ed in [this story](#) in Streetsblog.)

Q: What can the City of New York do now to ensure that it can be ready to implement the empty-FHV charge once congestion pricing starts?

A: It can and should mandate that every FHV affiliated with Lyft, Uber and Via install, by a date certain, technology connecting it to an approved software integration system compatible with existing Taxi & Limousine Commission technology. Such continuous, real-time wireless connectivity, similar to what is already required of medallion taxis, will allow the TLC to track empty-vehicle time within the Manhattan taxi zone and collect the mandated charges from the FHV companies. (See report pp 8-10 for details.)