



ADL Ventures Public Comment on BEV Exemption for FHVs

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Summary: The TLC should consider the foundational role BEVs play in cleaning the air and improving health outcomes in New York City instead of eliminating BEV-based FHV exemptions that will be central to increasing the penetration of BEVs in the FHV fleet beyond today's negligible share of <1%.

We understand and appreciate TLC's goal to achieve a balanced FHV market. We know that the average New York City cab driver is \$500,000 in debt and that the pandemic has simultaneously put immense negative pressure on demand. We also recognize that in 2020, New York had the worst traffic congestion in the United States, amounting to the average driver losing over 100 hours in traffic despite a 28% drop from 2019 (INRIX).

However, the climate impact and associated respiratory and general health impact of this congestion cannot be understated. Air pollution from tailpipes, especially airborne particulate matter, imposes substantial damage to the environment and human health. Because of the City's higher baseline levels of pollution, the social cost of emissions in New York City is nearly twice as high as the national average, which means that each marginal pollutant impacts the health of New York City residents more than elsewhere in the state and elsewhere in the country.

FHVs in NYC likely emit over 2.6-5.3M tons of CO₂ annually, assuming each of TLC's 110K active licensees drives for 60-120K miles per year (EPA). To remove that quantity of CO₂ every year, one would have to plant an area greater than the state of Connecticut with 10-year-old trees or be able to fully recycle 12 bags of trash from each one of New York's 24,000 sidewalk trash cans every day for a year, instead of sending them to a landfill (EPA).

As such, BEVs (Battery Electric Vehicles) are a critical tool in protecting local health outcomes in New York City and the only way to rectify the city's FHV emissions problem. There is also no other way for the transportation sector to meet the Greenhouse Gas (GHG) reduction goals of NYS's Climate Leadership and Community Protection Act (CLCPA) or NYC's 80% sustainable mode share by 2050.

While new entrants to the market have exploited this well-intentioned BEV exemption, we believe it is critical for the share of zero-emission vehicles in the FHV fleet to increase significantly.



While we agree with the argument that increased congestion leads to higher emissions, this is only the case if NYC streets are populated with ICE (internal combustion engine) vehicles. If the City enacts policies to incentivize BEV adoption across the FHV fleet, the argument that congestion drives pollution weakens.

As such, we strongly recommend that TLC maintain the EV exemption to the rideshare car cap. The 400 BEV licenses that the TLC has issued since the pause amount to less than 1% of all licenses. Particularly for existing rideshare companies, the BEV exemption is an important tool to incentivize desired behavior, especially given the higher upfront cost of a BEV vehicle relative to an ICE vehicle. Absent a meaningful incentive—including encouraging existing ICE vehicle owners to switch to BEVs when old vehicles are retired—the transition of the FHV fleet to BEVs will be unacceptably slow.

Lastly, media reports suggest that the risk of having too many FHVs on the streets of NYC may be at a historic low. According to the June 15, 2021 New York Times article, [You Can't Find a Cab. Uber Prices Are Soaring. Here's Why](#), less than half of the 13,500 licensed yellow taxis are on the road currently, and over 5,000 of those that are not currently in operation were retired permanently during the pandemic. Rideshare services are similarly constrained, with only 54,000 drivers working in April 2021 compared with 79,000 in February 2020, leading to sustained price increases of up to 40% and much longer wait times. Given the shortfall of FHVs as a result of the pandemic, summer 2021 may be the least effective moment to argue that too many for-hire vehicles are on the road. If the city currently needs more FHVs today to meet rider demand, why not encourage a portion of those vehicles to be fully electric?

Maintaining an incentive for BEVs to participate in the market will help New York City demonstrate 1) that it values the health outcomes of its residents and 2) that it intends to follow through on its GHG reduction and transportation electrification commitments.

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