

NEW YORK CITY
TAXI AND LIMOUSINE COMMISSION

Minutes of Commission Meeting

March 1, 2012

Present:

David Yassky, *Commissioner/Chair*
Frank Carone, *Commissioner*
Edward Gonzales, *Commissioner*
Iris Weinshall, *Commissioner*
LaShann DeArcy, *Commissioner*
Nora Marino, *Commissioner*
Meera Joshi, *General Counsel*

1. Chairman Yassky called the meeting to order at 10:30 a.m. and reported on the following:
 - Chairman Yassky expressed his concerns and prayers for taxi driver Sajjid Matin who was recently struck and severely injured by an intoxicated driver. Chairman Yassky visited Matin in the hospital and expressed his hopes for a full recovery.
 - Chairman Yassky announced Licensing's return to the Long Island City facility and thanked TLC's staff for their extraordinary work and commended them for their ability to keep TLC's operations running efficiently during the displacement.
 - Chairman Yassky asked for the industry's assistance in finding additional facilities for storing seized vehicles. The city's tow-pounds are currently at capacity. The TLC is putting out an RFP seeking vendors to store seized vehicles.
 - Chairman Yassky announced the upcoming publication of draft rules for the Five Borough Taxi Plan. Chairman Yassky urged interested parties to submit comments on the proposed rules as soon as possible, as the public hearings for the rules will take place on March 22, 2012, and April 19, 2012. In order to process the feedback for the proposed rules, the Commission needs comments by the March 22 meeting.
 - Chairman Yassky noted the departure of senior TLC attorney Charles Tortorici, who had worked with the TLC since 1997. Chairman Yassky wished him well in his future endeavors.

2. Item 2 on the agenda, Adoption of Minutes (January 19, 2012, Commission meeting), was presented to the Commission for approval. A motion was made to adopt the minutes. The motion passed unanimously.
3. Item 3 on the agenda, Base Applications for Determination, was presented to the Commission by Christopher Tormey, Director of Applicant Licensing. The following base was presented for consideration:

NEW (1):

B02521

Picture Properties, Inc.

4. A motion was made to approve the base station license applications that were recommended for approval. The motion passed unanimously.
5. Item 4(a), Alternative In-Taxi Technology Pilot Program, was presented for Commission action. Deputy Commissioner Ashwini Chhabra made a presentation on the pilot proposal, which would allow for the development of a new, in-taxi technology system. A motion was made to approve the Pilot Program. The motion passed unanimously. The approved resolution is attached to these minutes.
6. Item 4(b), Taxi Receipt Advertising Rule, was presented for Commission action. A motion was made to adopt the rule. The motion passed unanimously.
7. The meeting was adjourned at approximately 11:10 a.m.

Minutes as approved by the Taxi & Limousine Commission on March 22, 2012



Deputy Commissioner for Legal Affairs / General Counsel

3/22/2012
Date

NEW YORK CITY TAXI AND LIMOUSINE COMMISSION

RESOLUTION APPROVING ALTERNATIVE IN-TAXI
TECHNOLOGY SYSTEM PILOT PROGRAM

The New York City Taxicab and Limousine Commission ("TLC") hereby approves a pilot program, pursuant to Section 52C of the Commission's rules, to test alternatives to existing in-taxi technology systems (the "Pilot Program"). The TLC was approached by Square, Inc. ("Square") with a viable proposal for a mobile in-taxi technology system. TLC would like to test Square's system on a pilot basis. Additionally, the TLC will accept pilot proposals for alternative in-taxi technology systems from the two authorized providers of in-taxi technology systems, also known as the Taxicab Passenger Enhancements Program ("TPEP") - Creative Mobile Technologies ("CMT") and Verifone Inc. ("Verifone"). The TLC also invites other interested parties to submit, within 60 days of approval of the resolution, proposals for alternative in-taxi technology systems. TLC can select up to one additional provider to participate in the Pilot Program. All pilot participants ("Participant(s)") must meet the durability, operational and security standards as set forth by the TLC. To be clear, this Pilot Program is solely for the purpose of assisting the TLC in learning about the feasibility of alternative mobile in-taxi technology systems, and participation in the Pilot Program does not signal approval by the TLC of a system for purposes of the TPEP program or any successor.

Square's proposed alternative in-taxi technology system is powered by Square's payment processing technology and that utilizes mobile devices and purpose-built hardware specifically for taxi use (a "Mobile Technology System"). Square's Mobile Technology Systems will be similar to TPEP systems currently in yellow medallion taxicabs, and offer most of the features currently offered by TPEP vendors and units. Like TPEP, the Mobile Technology System will have a passenger information monitor, hard mounted in the passenger area of the vehicle, and a taxicab driver information monitor, which will interface with the meter and aid the taxicab driver in performing his duties while the systems are recording trip data. Like current TPEP systems, the Square's proposed Mobile Technology System will also be capable of recording and storing trip sheet data, processing credit card payments, and enabling communication between the TLC and taxicab driver and between the medallion owner and taxicab driver. Additionally, the Mobile Technology System proposed by Square will offer new and different technological interactions and improved experiences for taxicab drivers and passengers, the possibility of lower credit cards rates and a faster driver payment turn around.

The test of Square's Mobile Technology System will allow the TLC to determine whether or not it is feasible to use an iPad, employing apps, in lieu of the current passenger information monitors, to use an iPhone in lieu of the current driver information monitor to interface with the meter and to evaluate the cost savings, if any, to be had by using the Mobile Technology System. The Pilot Program will also allow the Commission to gather information about the strengths, weaknesses and issues surrounding the use of the Mobile Technology System to provide a better, more seamless payment experience for taxicab riders.

Pursuant to Section 52C of the Commission's rules, this approval is subject to the following terms:

1. Duration

- The Pilot Program will end on the later of February 15, 2013 or expiration of any renewal of the City's current contracts with CMT and Verifone.

2. Pre-Qualification Conditions

- Each Participant must:
 - Enter into a Memorandum of Understanding ("MOU") with the Chairman on behalf of the Commission which is approved, as to form, by the New York City Law Department.
 - Present to the TLC Assistant Commissioner for Safety and Emissions at the TLC's inspection facility in Woodside, Queens an installed prototype alternative in-taxi technology system. The prototype will be evaluated on criteria determined by the Commission, including but not limited to, payment processing security, durability and ability to accurately interface with the meter.
 - Provide the TLC with a web application that the TLC can use to monitor remotely the alternative in-taxi technology system functions, including but not limited to, particular trip sheet data, as defined in the MOU, and GPS capability.
 - After testing of the prototype, the Participant must allow the TLC to monitor performance of alternative in-taxi technology systems installed in three (3) medallion taxicabs for seven full days. After the monitoring period, the Participant must obtain the TLC's authorization to install their equipment in up to an additional twenty-seven (27) medallion taxicabs. (Note, the Participants will not need TLC permission before each and every installation.)

3. System Requirements

- As more fully set forth in a MOU, each alternative in-taxi technology system tested through this Pilot Program must be capable of, including but not limited to:
 - Capturing meter rate codes and trip information
 - Collecting surcharges
 - Generating customer receipts
 - Provide support services for malfunctioning or damaged alternative in-taxi technology equipment.

4. Commencement

- Each Participant can commence their equipment immediately upon MOU execution and completion of the Pre-Qualification Conditions.
- The TLC can delay commencement of five passenger testing or cancel the Pilot Program if it receives corroborated evidence that an alternative in-taxi technology system represents a security, safety or other unacceptable risk to owners, passengers, or drivers.

5. Means of Public Notice

- Notice of opportunity to medallion owners and taxicab drivers to participate in the testing will be published in the City Record and on the Commission Web Site. The notice will direct interested medallion owners to web links that enable them to apply directly to the Participant, i.e., Square, CMT or Verifone.

6. Scope of the Pilot Program

- Each Participant in the Pilot Program can select a maximum of thirty (30) medallion owners to test their alternative in-taxi technology system. Square and any other Participant must solicit medallion owners and taxicab drivers from a cross section of the taxi industry. CMT and Verifone may only solicit medallion owners and taxicab drivers from their respective pool of current customers.

7. Costs to Medallion Owners for Inclusion in the Pilot Program

- Square will charge each medallion owner \$350 for use of one (1) Mobile Technology System. This cost will include hardware costs, installation costs, maintenance and monthly data costs. Square will charge each medallion owner or taxicab driver no more than 2.75% for each card-present (swiped) credit or debit card transaction processed through the Mobile Technology Systems.
- Square must advise all medallion owners that they may have to pay early termination fees for terminating their existing TPEP contracts, and may have to pay to reinstall TPEP systems at end of Pilot.
- All other Participants must submit to TLC, prior to commencement testing, a list of costs for equipment installation and removal and credit card processing fees.

8. Safety and Security Evaluation

- All alternative in-taxi technology systems used in the Pilot Program must meet applicable existing Payment Card Industry standards.
- All Participants will immediately report to the Commission if any safety or security issues arise with respect to, or as a result of, their alternative in-taxi technology system.

9. Binding Agreements with Medallion Owners and Drivers

- Each medallion owner and taxicab driver will enter into binding agreements with the Participant as a condition of testing of alternative in-taxi technology systems. These agreements shall be in a form previously approved by the TLC. Following execution, the Participant will submit to the TLC all agreements.
- These agreements must be consistent with this resolution.
- These agreements will contain provisions governing the alternative in-taxi technology's operating requirements, required equipment, required submission of feedback to the provider, responsibilities of each party (the provider, medallion owner and taxicab driver) for costs associated with operating the alternative in-taxi technology system, how trip sheet data reporting will be reported and submitted to the TLC, and what will happen to the alternative in-taxi technology system after the Pilot Program ends.

10. Ongoing System Testing

- For the duration of the Pilot Program, the Participant will maintain a web application which will give the TLC access to the alternative in-taxi technology system.
- Medallion owners whose taxicabs have had alternative in-taxi technology systems installed pursuant to this Pilot Program are subject to inspection on demand by the TLC Assistant Commissioner of Safety and Emissions at the TLC's facility in Woodside, Queens. These inspections are in addition to the taxicab's regularly scheduled thrice annual safety and emissions inspections.

11. Reporting Requirements

- Each Participant will have reporting requirements as set forth by the Commission.
- Square's Reporting Requirements
 - During the Pilot Program, on a schedule to be determined by the Chairman, Square will report to the Chairman on the Mobile Technology System's performance. This will include, but is not limited to, technical metrics, costs of repair and maintenance required, service outages and transaction fees. It must also include qualitative evaluations, such as those obtained from taxicab driver survey or interviews.
 - No later than two (2) months after the Mobile Technology Systems have been removed from taxis, Square will submit a report to the Chairman that includes the above outlined information covering the entire Pilot Program service period.
 - Square will submit any additional information or reports related to Mobile Technology Systems that the Chairman reasonably determines useful to his formulation of recommendations for Commission action.
 - Participating medallion owners are required to respond to reasonable requests from Square to complete user surveys, participate in focus groups or interviews, and keep records of their experiences with the Mobile Technology System.

- Reporting about Square by the Chairman to the Commission
 - The Chairman will update members of the Commission on early observations from the Pilot Program no later than six (6) months after the Mobile Technology Systems have been installed in participating vehicles.
 - No later than three (3) months after the Mobile Technology Systems have been removed from the participating vehicles, the Chairman will report to the Commission on the Pilot Program, with recommendations for Commission action.

12. Submission of Proposals

- Parties interested in participating in this Pilot Program must submit their proposal to:

Alternative In-Taxi Technology
Systems Pilot Program
c/o Seth Melnick, Policy Analyst
33 Beaver Street, 22nd Floor
New York, NY 10004

Passed by unanimous vote on March 1, 2012
Meera Jee GC