NYC TAXI AND
LIMOUSINE COMMISSION

THURSDAY, JANUARY 19, 2012
COMMENCING AT 9:21 A.M.

MEETING AGENDA:
PUBLIC HEARING, STENOGRAPHIC COMMISSION ACTION TRANSCRIPT OF STAFF PRESENTATION PROCEEDINGS

BEFORE:
DAVID YASSKY, CHAIRMAN
COMMISSIONERS:
MEERA JOSHI, ESQ.
NORA CONSTANCE MARINO - Absent
LAUVIENSKA POLANCO - absent
EDWARD GONZALES
IRIS WEINSHALL
ELIAS AROUT
FRANK CARONE
MARK GJONAJ
LASHANN DEARCY

Job No. NJ34335

APPEARANCES:
NEW YORK CITY TAXI AND LIMOUSINE COMMISSION
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MR. CHAIRMAN: Good morning, Commissioners. We move that we vote to go into executive session to discuss pending litigation and possible litigation matters. All in favor say aye. (The Board says aye.)

MR. CHAIRMAN: We will now recess for executive session and return in approximately an hour. Thank you.

(Executive Session at 9:18 a.m.)

MR. CHAIRMAN: Good morning. Welcome. We will call the meeting to order. Before we begin, we will just begin with a very brief report on some TLC news and what we
have been up to here.

First of all, and this is really for the licensees that are out here, as you all know, we had three offices, as you know, and the long Island city office has been closed since the last week of December, Since the week before Christmas, since last week of December because of a flood, not on all floors, but the floor directly above the floor the TLC occupies.

The Long Island City building someone broke in a water feed pipe and caused such extensive damage to our two floors we have been out of that space.

I want to, first of all, commend the TLC staff lead by Deputy Commissioner Freud and Assistant Commissioner Nick Venezia and Jeff Grundfeld and also Ray Scanlon of Woodside and Gary Weiss that heads the licensing division, that's the operation of Long Island City, within a day-and-a-half, we had established a makeshift licensing center in Woodside and we moved all the hearings that usually take place on Long Island City here to Beaver Street.

Commissioners the reason we had our pre-meeting on the 22nd floor rather than the big conference room down the hall is if you go look there you will see that has been converted to an eight person office. Every available conference room we have computers
and phones were put in and, again, Jeff, the CEO, his team did a superb job so we could resume functioning within 48 hours of being displaced; and even though many people are cramped, and I will say to the licensees in the industry I know that the conditions at Long Island City, waiting at Woodside at the licensing counter are subpar and I don't want to say they are not. People have had to sometimes queue up out into the cold. We rearranged it so they can be inside but they are not. It is not a facility built for that.

Nonetheless, everybody has really stepped up and pitched in and I want to thank our staff that has done that and I want to thank our licensees for their patience and understanding.

The landlord at Long Island City has been working and it is ongoing. They have had a tear out, dry wall on pretty much every wall, at least some of it, and tear out most of the flooring and replace it.

I don't want to put a date to it because with construction, you can't count on it. What I will say is that as soon as we possibly can and as soon as it is safe for our employees and licensee guests to be there, we will reoccupy the Long Island space and resume normal operation there.

In the meantime, again, I thank
everybody for their patience in that connection. I want to say particularly to drivers and people who interact regularly with drivers, we more than usual are encouraging people to renew their licenses by mail. Of course, people or on line. People have the opportunity to renew in person and you can come and do that at woodside. But given the limitations of that space, we really urge people as strongly as possible, renew your license on line or through the mail. Your wait will be lower and by not being there, you won't cause other people to wait so long because we don't have as many transaction counters as we ordinarily do. We also, of course, the Staten Island facility remains open. Once again Staten Island came to the rescue and we are handling transactions there as well, If people prefer.

So you can go to Staten Island or to woodside, and I'm reminding people that all hearings are scheduled that typically take place in Long Island City. They continue to be held here in Beaver Street on this floor, 19th floor, with the exception of fitness hearings which are being held at 40 rector street in the offices.

If you have any question about where a licensing transaction is being handled or where a hearing is, please call 311 or you can call our, I hesitate to put our licensing
number directly even though I know every
driver knows it already, call 311 and ask for
that information. Okay.

It probably needs no reminding to
anybody in this room, but on December 20th, we
are pleased that Governor Cuomo announced an
agreement on five borough taxi plan that
accomplishes really pretty much all of what we
set out to do a year ago. What Mayor
Bloomberg proposed that in the 2012 state
industry address. We will be able for the
first time be able to taxis to pick up outside
of Manhattan center business district, and we

will be making huge strides on the issue of
wheelchair accessibility, which you know is a
long time project of this commission. That
the bill was signed into law, we expect it to
be amended further, really within the next
week, to permit the sale of an additional
2,000 wheelchair accessible medallions, which
will be I think a ground breaking step forward
for the city on the issue of wheelchair
accessibility.

Finally, last but not lease, I just want
to know for the first time ever, there are
50,000 licensed taxi drivers. Our 50,000
drivers, Mr. Muhammad Arief of Brooklyn,
deserves special recognition.

In truth, there are a lot of ways to
look at this. In some cases it is a sign of
the overall economy that continues to struggle
and not be as healthy as we would all like,
but it is also a sign of the vitality of this remarkable industry, and the entrepreneurs large and small that continue to make it one of the great success stories of the city. As an industry, in addition to serving 600,000 people a day. So that is our chairman's report.

We have minutes to adopt. The minutes of the December 15 meeting are before you, commissioners. I move that we adopt them as written. All in favor say aye.

(The Board says aye.)


Director Chris Tormey is here. We have just, I believe, one new base and one relocated base.

>> MR. TORMEY: Christopher Tormey Director of Licensing at TLC. Licensing has one base for approval this month, Corona and we have a relocation.

>> MR. CHAIRMAN: Commissioners, I move that we accept the licensing recommendation on these two bases. All in favor say aye.

(The Board says aye.)

MR. CHAIRMAN: Opposed? No. Thank you, Chris. We have one item for commission action and one item for public hearing today.

For commission action we have the FHV stretch modification rule. We have,
commissioners, the public hearing on this in November And there is no further public hearing required.

If there are comments on this, I would entertain that at this point, otherwise, I will move to a vote. I will note commissioners that we did address the insurance issues that were raised at that hearing, and I believe that we are ready to move forward with this.

>> MR. AROUT: Motion to Approve.
MR. CHAIRMAN: Second.
>> MS. WEINSHALL: Second.
>> MR. CHAIRMAN: Opposed? No. The stretch modification rule is now adopted. The public hearing we will not be voting today on this but we will hold a public hearing on a rule regarding taxi receipt after this. Meera will explain that briefly and we have several people signed up to speak.

>> MS. JOSHI: Before the commission today are three proposed rules relating to taxi cab receipts. The first proposed rule would permit specified types of advertising on the backs of taxi cab receipts. Advertising on taxi cab receipts is prohibited under current rule.

The second proposed rule clarifies an existing rule on the proposed rule, the driver must offer a passenger his or her receipt. Current rules require every passenger receives a receipt, And the third proposal addresses
items that must be listed on the passenger receipt.

The additional items are trip number, tolls, surcharges, trips paid by credit card or debit card, if applicable, the last four digits of the credit card and the driver's HAC license.

>> MR. CHAIRMAN: The first speaker is Vincent sapone and then I see Bill Lindauer from the New York taxi city alliance. It doesn't say so here but I assume you are representing the league of taxi owners.

Mr. sapone.

Mr. Sapone: Thank you, Mr. chairman. I would like to wish everyone a healthy new year, better happy. You can't always be happy but you can try to be healthy. I have one question.

>> MR. CHAIRMAN: Visa versa.

>> MR. SAPONE: This advertisement on the back of the receipt, who gets the revenue? I mean, I don't expect a big boom. Who gets the money for the advertisement?

>> MR. CHAIRMAN: The vendors who provide that service, they are verifone and creative mobile technologies are, as you know, currently in each and every taxi cab. The revenue would go to those companies.

>> MR. SAPONE: Oh. If I own my own Medallion and I buy my own receipts and in the back of the receipt it said via buy a pet at
Joe's pet shop, okay, that advertisement doesn't go to the driver? To the owner? The guy who brought the receipts?

>> MR. CHAIRMAN: Right. Of course, the medallion owner will be free to negotiate whatever terms he or she wishes and is able to with those credit card processing vendors, But they are the ones that will be in the position to sell the advertising in the first place.

And, commissioners, I see there is a representative from verifone signed up to speak and I think some of the questions will be directed to them.

MR. SAPONE: I was wondering if you combine the receipt without the advertisement, in case, you know the driver he's paying for the receipt. I don't want to repeat myself, he buys the receipts and owns his own medallion and someone is using free advertisement from his receipt and his business should be compensated something.

>> MR. CHAIRMAN: That's a good question you raise and commissioners --

MR. SAPONE: I'm not blaming you. Don't get me wrong. The whole world is in trouble besides us.

>> MR. CHAIRMAN: I think that is a good question that you raised that we should address between now and next month when we vote to look at it.

>> MR. SAPONE: Have a good day.

MR. CHAIRMAN: Bill Lindauer, New York
Taxi Alliance, followed by Duane Dear, or Deane, I apologize, representing Verifone.

MR. LINDAUER: This is the most brilliant idea for advertisement since they put ads by urinals. This is what the world has been dying for.

MR. CHAIRMAN: We are looking at the back of your eyeglass lenses as another possible opportunity.

MR. LINDAUER: But I charge too much. But you have only two vendors. It is like a monopoly. I know Ron Sherman, Metropolitan taxi board of trade and CMT needs a few more bucks like we need greater U.S. debt. If money buys happiness, he should be deliriously happy, but I'm worried about the drivers.

Do they have to buy special receipt paper? Do we have to get a new meter? Why doesn't the driver get a bit of this action, right? And how much income do you expect the people to make from this advertising?

Drivers lose everything. They lose five percent on the credit card. Many times we don't get tips on the credit card. Don't think we make 18 percent on the credit cards. The MTA 15 percent tax out of our tips. We pay the five percent also on tolls and tips and now we lose 4.77 each, shit, For a stupid sales tax to New York City state and another
We are losing 10 percent, not to mention
that gasoline is doubled what it was in 2004
when we last got our father hike. We need a
huge fare hike because we are dying. We are
one of the lowest earning industry in New York
City and I blame the city for this because
they set the rules. They set up the system.

I mean, cleaners who are going out on
strikes, clean office building they are going
out on strike but they were making $47,000 a
year. The average cab driver makes maybe 25,
30 working seven days a week. This is
unconscionable.

>> MR. CHAIRMAN: I understand the
correction that you are drawing. Still I
would ask speakers to stay on topic of the
advertising receipt rule, But thank you,

MR. DEANE: Duane Deane and I'm
hearing representing Verifone Incorporated and
Solutions in support of the proposed rule.

As one of two TPEP vendors Verifone and
its media company, Verifone Media Solutions,
we support the idea of permitting advertising
on the back of the meter receipts as it will
promote new opportunity for the system and
further help reduce costs for owners.

We agree with the limitations of the
rule that permit the ads on the receipts only
if the ads or sponsorships comply with the
current standards of the TPEP contracts and
that the ads or sponsorships do not reduce the
readability of the taxi meter receipt.

As a leader in the industry, Verifone
would not want to implement anything that
would reduce the quality of the service to the
passenger and to the industry as a whole.

Once again, thank you for the
opportunity to speak And we urge the passage
of the rule as drafted.

MR. CHAIRMAN: I have a couple of
questions.

Can you tell us a little bit about the
economics of this? That's the question that
has been raised.

First of all, what type of revenue do
you anticipate from this particular
advertising initiative?

MR. DEANE: Very good question. Right
now we don't have the answer for you. I'm
willing to look into that.

MR. CHAIRMAN: You don't have a sense of
what the rates will be at all?

>> MR. DEANE: No. Right now what we
would have is two-fold. The paper savings for
the owner, being the sponsorship, would pay
for the receipt paper Or they can currently
purchase the paper as they currently do.

>> MR. CHAIRMAN: In other markets do
do not, but I can look into it for you and get
back to you an answer.

>> MR. CHAIRMAN: Can you tell us about
the on screen advertising? What's the revenue
from that, would you say, Per taxi?

>> MR. DEANE: For that I would like to
see if I can Defer that question to Amos
taman.

MR. TAMAN: Good morning. my name is
Amos taman, new vice-president of verifone.
Maybe I can help with you some of the answers
here.

So we don't have an exact estimate for
the potential revenues from the paper
receipts. We estimate, the idea is to have
another advertiser to sponsor the paper costs.

Just to give you a rough idea, we spend
about a half million dollar annually on the
paper receipts. So I think if we get our way,
it is something that we will earn about half
million dollars if we manage to get enough
sponsorship to pay for all the papers. The
gentlemen, you don't have to go to the paper.

You can continue buying the traditional paper
receipts.

>> MR. CHAIRMAN: And commissioner
DeArcy.

>> MS. DEARCY: Your colleague made a
comment that the advertising on the back of
the receipts would reduce, and I'm quoting
from him costs for owners. I'm not
understanding exactly how the advertising
would serve to reduce costs for owners if the
advertising dollars would go to you?

>> MR. TAMAN: I will rephrase. It will
reduce the cost of the paper or eliminate it
Depending on who's buying the paper. If the
owner is buying paper it is eliminating the
cost of the paper for the owner and the driver
it is going to eliminate the cost for the
driver, Whoever buys the paper today. Today
somebody has to spend the money to buy the
paper receipts. Hopefully we get enough
sponsorship on the back of the paper to
eliminate that costs, whatever the cost is.

>> A SPEAKER: A dollar 50 a roll.

>> MR. CHAIRMAN: Pardon? I'm a little
ignorant about this. Who today does buy the
paper?

>> MR. TAMAN: Drivers and owners. It is
mixed, depending on the relationship the
owners have with the drivers. In some cases,
the drivers and the fleet owner.

MR. CHAIRMAN: And do you anticipate
charging the sponsors a fee over and above
providing the paper or just simply providing
the paper?

MR. TAMAN: In an ideal world, Yes. I
don't know. It is not done anywhere in the
country yet.

>> MR. CHAIRMAN: Who will be the kind of marketer to sell advertising?

>> MR. TAMAN: Verifone Media Solutions.

MR. CHAIRMAN: You would not do that just for some to provide paper because that can't benefit you. Presumably you would invest in that marketing only if there is some revenue that goes along with that. I'm just guessing here.

>> MR. TAMAN: Well, the need to have revenues come along with that.

Now, for us, obviously sponsoring the paper it is a win/win for the industry and probably for us as well. We don't have figures. I don't have figures. Rough figures the industry spends for the owning of the paper, it is about half a million dollars. I think we were passing the rules. it will reduce the consumption of paper because a lot of the passengers do not take the receipts with them. So I think you will have probably 30 or 40 percent reduction in paper receipts to begin with.

>> MR. CHAIRMAN: Would owners and drivers be able to sell advertising directly to verifone?

MR. TAMAN: It is preprinted paper and you have to buy it in large quantity for any sponsor to deal with that.

>> MS. DEARCY: So I think, if I'm following kind of the triangle of questions
and answers, the financial benefit from anything above and beyond the cost of the paper would go to your company and the cost savings to the owners would be measured by the dollar 50 they save per role on the paper but everything else would go to your company.

>> MR. TAMAN: The only thing, yes, the intention is to reduce the paper costs. Everything is negotiable between us and our customers.

MS. DEARCY: I'm sorry. Just to go back, is the answer to my question yes?

>> MR. TAMAN: The one thing we know for sure our intention is, first of all, to reduce the cost of the paper for the sponsor paper. In other words, neither the owner or the driver would have to pay for IT. anything over and above that, if there is any profit, it is tied to our relation between us and our customers.

MS. DEARCY: in terms of the relationship with the drivers.

>> MR. TAMAN: Voice drivers and the owners.

MS. DEARCY: Thank you.

>> MR. CHAIRMAN: Because the overall economics picture is I think part of the rationale here.

Can you tell us just about the TV advertising? Give us some sense of that.
What revenue comes in from the TV ad, just to give us --

>> MR. TAMAN: To be honest, I don't have the figures in front of me. We do report monthly to the TLC.

>> MR. CHAIRMAN: You could provide that to us?

>> MR. TAMAN: In most cases, it is with the owners as you are familiar with and it is varied based on our existing contract and negotiation with each client.

>> MR. GONZALES: I have a question. The roll that you are referring from the receipt, how many receipts from a roll?

>> MR. TAMAN: I don't know exactly. It is consuming, the average driver consumes about two or three paper rolls a week. So give and take, the gentleman mentioned a dollar-fifty, they are probably spending five dollars a week on paper.

>> MS. DEARCY: Commissioner?

MR. CHAIRMAN: Yes, please.

>> MS. DEARCY: Am I correct to assume that the rules regarding the content of advertising that we address with respect to the roof top advertising and certain objectionable advertising would apply equally to the paper advertising that may or may not be approved for use in the taxi cabs?

We had a hearing some months back about the roof top advertising, objectionable advertising.
MR. CHAIRMAN: That is a good question and I don't think that is explicitly addressed in this rule. So in the proposed rule that we are having a hearing on, I think we should figure out to handle that. Very good.

MR. TAMAN: Thank you very much.

MR. CHAIRMAN: Commissioner Chhabra points out to me the proposed rule would limit advertising on these, on the receipts to the comment of advertising to any advertisement permitted under the TPEP contract, which does have some content standards in it.

Having said that, we handle that issue in a slightly different way with respect to the roof top and I think that is worth thinking through which approach is better. Definitely. Thank you, commissioners, And thank you Amos and Mr. Deane.

We have about three more people who have signed up to speak all from, Bhainavi is next and three additional, All representing the taxi workers alliance. If there is kind of overlapping testimony, feel free to consolidate.

MS. DESAI: Good morning. I don't even know where to begin. We all know drivers get nickeled and dimed in this industry but this is ridiculous.

You mean to tell me we are expected to pay this because it is going to save people a
dollar or a dollar-fifty on a roll. These are the same companies that are charging five percent on every transaction.

I understand their argument would be they charge up to three, whatever the contract allows and the garages and the brokers charge the additional for maximum of 5 percent on every credit card transaction which adds up to thousands of dollars in loses for drivers.

On that issue, they have nothing creative to offer and yet they are going to tell us that basically one company is going to get an exclusive right, an exclusive market to be able to produce these receipts, which everyone is going to have to go in and buy, and we should be doing this just so we save a dollar or a dollar 50 a week. This is absolutely ridiculous.

All of this absolutely comes down to money, Not just about the revenue as to who should get the share, but also who is going to have to pay for the costs.

It is not always clear that the owners pay for it, And the majority of the cases, it is the drivers that bear the costs, especially if mid shift you end up having to go in and get another paper roll.

You are not going to go back to the garage to get that, and if we are going to have to buy a specific type of a receipt that is only going to be sold at particular locations by one exclusive company, that is
going to actually, that is going to increase
the costs And so surprise, surprise.
Something that is supposed to save on the
expense, all of a sudden that very expense is
now going to go up. This is a scam. This
really needs to be addressed in a way where if
you are going to generate revenue, which this
work force desperately needs, We haven't had a
raise now in seven-and-a-half years. the rates
are sky high. We all know that garages and
agents are overcharging on everything that
bill outlines.

Drivers has been losing thousands of
dollars in income. We do. We have a desperate
need to generate real revenue that will be
fairly shared in this industry. To generate
revenue simply for two companies, maybe even
just one of them, I don't even know, That are
not even under regulation, like the rest of
us, this is preposterous. It seems such
favoritism for the TLC to pass a rule like
this. I hope you strongly consider IT.

If you go this route, only go this route
if the revenue will go to the hard working men
and women, the drivers who don't get a penny
from any other revenue we generate whether on
the rooftop or the TV screens on the back. It
is drivers lead money, gas money. It is their
customer services. It is their hard earned
labor. They should get a share of the revenue,
not a bunch of vendors that came in on exclusive contracts. Thank you.

>> MR. CHAIRMAN: Thank you. Mr. Singh, Mohan Singh, and followed by Osman Ehowdhury. Final person signed up is Beresford Simmons. Again, I would invite folks to testify together, if you message is identical or almost entirely identical.

MR. SINGH: Good morning, I am Mohan Singh. I'm the DOV driver. The thing is that I am working 12 hours and my age is 56. All things we have to face nobody knows. We have to pay everything, Even the rolls that we buy we have to pay from our pockets. Nobody but us.

Another thing is wherever we go, if we take any person to Brooklyn if we have to lose the fair. Another thing is, again, of 20 years, except my father or my parent, what can I do? Nothing. And if we call the police, the police come late and everything is clear. We lose in every place.

Now the brokers checking everything. They are taking every money which they can collect. The thing is that they couldn't care for us. We are humans. We had kids also. They go to school. they want education. Where we will go? You have to think it over.

What you are passing should be shared with everyone and everyone should get the share, Not only those people, those who have a house. We are small people. We cannot raise
our voices but we can tell you that please
take care of this.

MR. CHAIRMAN: Thank you. Mr. Ehowdhury
and Mr. Simmons are the final two.

MR. EHOWDHURY: Good morning, everybody.

Happy new year. Everybody year happy new year
but last year every new year coming to new
rules to the driver Suffering. That's
happiest not for the driver, Suffer and
victimize. We want to go back to different

things. We want to GPS Scam. We use the hand
held credit card. No problem.

Now hand held now GPS, They are charging
five person. Before the debit, the sponsors
said they can use it. The bill needs to go
driver Because the charging five person.
Nothing any benefit. Not only for the --
sometime people using credit card and
automatically the charge. We don't concentrate
on the deduct amounts. They don't know
anything about that. How can I lose the debit
money? We think why my money was to go to
other problem. My money giving them, my
credit account. We give them an educate
machines debit handling this. We don't need
them. I want to contact them. We don't want
anything from them.

My money I can count it. I finish my
work, Twelve hour shift and 15 hours. I go to
make a line. Every debit person arguing.
They don't see the proper way. That is not
something the driver suffering.

And another thing I hear this when the weather, the bill recent credit. Hack license, They have the hack license number. When they log into the system, The logging in the hack license number they have it there. The GPS has it. One pick up the passenger and where do to drop. They have the record.

New thing for driver to put in hack license. The time is wasted. Even sometime what happens the credit card things, We have two or three credit card. Not one and the other credit card You are using. Only five person. They don't pay any tips. What's happening? We are losing our income? Thank you.

>> MR. CHAIRMAN: Beresford Simmons.

MR. SIMMONS: I forfeit. Everything he said.

>> MR. CHAIRMAN: I think that was an enlightening public hearing. Commissioners, we will consider the comments. I will have the staff digest that. We will report back to you about our proposed responses and changes to that. We will discuss it, of course, as we always do, and then we will see if it is ready to bring back to the agenda.

So thank you. With that, a motion to adjourn the hearing.

>> MR. GONZALES: Second.

MR. CHAIRMAN: All in favor say aye?
(The Board says aye.)

MR. CHAIRMAN: Opposed? The hearing is adjourned at 11:00 o'clock.

CERTIFICATE

I, MICHAEL WILLIAMS, a Notary Public and CART Reporter of the State of New York, do hereby certify that the foregoing is a true and accurate transcript of the testimony as taken stenographically by and before me at the time, place and on the date hereinbefore set forth.

I DO FURTHER CERTIFY that I am neither a relative nor employee nor attorney nor counsel
of any of the parties to this action, and that I am neither a relative nor employee of such attorney or counsel, and that I am not financially interested in the action.

__________________________________
MICHAEL WILLIAMS