

2 NYC TAXI AND
3 LIMOUSINE COMMISSION

4
5 THURSDAY, MARCH 1, 2012
6 COMMENCING AT 10:30 A.M.

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8
9 MEETING AGENDA:

10 PUBLIC HEARING, STENOGRAPHIC
11 COMMISSION ACTION TRANSCRIPT OF
12 STAFF PRESENTATION PROCEEDINGS

12 - - - - -

13 B E F O R E:

14 DAVID YASSKY, CHAIRMAN

15 COMMISSIONERS:

16 NORA CONSTANCE MARINO

17 LAUVIENSKA POLANCO - Absent

18 EDWARD GONZALES

19 IRIS WEINSHALL

20 ELIAS AROUT - Absent

21 FRANK CARONE

22 MARK GJONAJ - Absent

23 LASHANN DEARCY

24

25 MEERA JOSHI, ESQ., GENERAL COUNSEL

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2 A P P E A R A N C E S:

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4 NEW YORK CITY TAXI AND LIMOUSINE COMMISSION
5 BY: Allan J. Fromberg
6 33 Beaver Street
New York, New York 10004
(212) 676-1013

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8 PRESENTATION:

9 COMMISSIONER CHHABRA

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1 Taxi and Limousine Hearing

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2 >> MR. CHAIRMAN: Good morning, ladies
3 and gentlemen. We will be getting started in
4 a few minutes. I want to let you know there
5 is additional seating in the overflow room.
6 If you go in the hallway, an employee will
7 direct you to the room. Thank you. Good
8 morning, ladies and gentlemen. We are about
9 to get started. Take your seats and turn your
10 cell phones off. There is additional seating
11 in the overflow room. You can go in the
12 hallway and an employee will direct you.

13 Good morning. First, let the record
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14 show that at today's commission meeting we are
15 adopting a new practice guided by our general
16 counsel of getting all the key details on the
17 transcript. So let the record show that
18 today's meeting began at 10:30 a.m. and I am
19 joined today by Commissioners Carone, DeArcy,
20 myself - Yassky; Commissioner Weinshall,
21 Gonzales and Marino.

22 Thank you very much for joining us this
23 morning. A couple of updates before we do get
24 to our business. We have a fairly short
25 agenda this morning.

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2 First, I just want to, on a distressing
3 note, I want to send our praise and best
4 wishes from the TLC to the family of taxi
5 driver Sajjid Matin who was struck and
6 previously injured by what appears to have
7 been an intoxicated driver last Thursday. I
8 visited Mr. Matan a couple of days ago. His
9 injuries are very serious and we are all
10 praying for a recovery, and just a reminder,
11 the job of a taxi driver is not normally a
12 critical one for the transportation system.
13 It is a very arduous one but often times a
14 dangerous job as well.

15 I want to update you on a couple of TLC
16 items. First of all, as you know, we are now
17 back at Long Island City. We were in a
18 diaspora for about six weeks and I want to
19 just commend the extraordinary work of our

20 staff, both of the licensing division for this
21 industry.

22 I know you know this, due to a flaw at
23 Long Island City, we were displaced from the
24 licensing center and the adjudication function
25 starting from December, I believe, 27,
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2 thereabouts, and within a day-and-a-half, the
3 facilities crew and the licensing staff had
4 relocated half of the operation here to Beaver
5 Street, half to the woodside facility, and our
6 colleagues at woodside did, also, a tremendous
7 job in completely rearranging their daily
8 operations so they could make room for their
9 visitors.

10 By the end of the time we had, we were
11 down for about a day-and-a-half, and a
12 day-and-a-half after the flood, had all but a
13 couple of our ordinary transactions were being
14 processed at woodside. Really extraordinary.
15 A testament to what we had done at the
16 direction of OEM, a disability tier recovery
17 plan that, thank goodness, was there and we
18 were able to put in effect.

19 A division disruption there certainly
20 was, and, again, I understand for licensees
21 that had to wait, sometimes outside, when the
22 lines got too long because woodside was not
23 designed for that magnitude of business, and
24 even when you were inside a makeshift space,
25 it was uncomfortable and the lines were longer
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2 than they should be. No question. People
3 waited.

4 It was not our usual standard of
5 business but given that we were displaced in
6 that way, the staff did an incredible job.
7 And, Commissioners, I want you to know that
8 our facilities crew, our MIS crew, in setting
9 up the work stations and the licensing and the
10 U.S.B staff at woodside really did a
11 tremendous job.

12 During that period, we processed almost
13 as many transactions as we ordinarily would
14 during that period of time. In other words,
15 we lost a lot the first few days, and there
16 were crushing lines a week or two, and then
17 they kept up a decent pace of business and
18 that tells you they did a great job.

19 So I hope when you see Gary Weiss or Ray
20 Scanlon or Jeff Grunfeld of MIS, and Nick who
21 runs the facility crew and was supervised at
22 all, when you see any of them, please give
23 them a "That a boy" because they did a
24 tremendous job.

25 So last or next to last, a couple of
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2 RFPs that are going out that I would seek the
3 industry's assistance with.

4 First is storage capacity for seized
5 vehicles, what we called tow pound, but tow
6 pound, garage, series of garages, the
7 functions that we are looking for is the

8 ability to seize as many cars as need to be
9 seized because they are violating our rules.

10 As you know, probably the most important
11 function of the TLC Enforcement Team is to
12 prevent vehicles and drivers that do not have
13 the proper license from acting like a taxi or
14 acting like a livery car, and every day we are
15 out on the street doing that. We seized today
16 maybe -- and if a vehicle has no license we
17 want that off the road because we don't want
18 passengers getting into a car that has not
19 been inspected where who knows who the driver
20 is.

21 Every day we will seize five cars, maybe
22 10 on a good day, 15, but we are limited by
23 our ability to store those vehicles.

24 we have been, believe it or not, thanks
25 to Ray's ingenuity, storing seized cars now
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2 often at woodside in our own parking garage,
3 which is not set up for that, and that even
4 has a limited number of spaces, too.

5 The City's tow pounds are at capacity.
6 We can't get capacity there. We don't have
7 our own ability. We are putting out an RFP,
8 it is either on the street -- I'm looking for
9 Conan. Is it on the street yet? He will tell
10 me soon.

11 It is not on the street yet but if I say
12 it will be on the street within a week, will I
13 be telling the truth? When will it be on the
14 street?

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15 >> MR. FREUD: Soon.

16 >> MR. CHAIRMAN: Two weeks? It will be
17 on the street within two weeks and he said
18 three. We will make that two weeks because we
19 have got to get this done.

20 And so what I would encourage people in
21 the industry who share our passion for doing
22 this, if you could help us find responders, we
23 did an early version of this and we did not
24 get a great response. That's why we are doing
25 a second version.

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2 We are looking for a vendor that will
3 take the cars that we have seized and store
4 them, and that would make, I will tell you, as
5 much as anything else we are doing, with the
6 hand-helds, as much as the building of our
7 enforcement troop strength, that will make a
8 material difference for our ability to
9 enforce, if we take the cars off the street.
10 That makes a big impression.

11 So I ask for your help in getting us a
12 vendor so we can seize as many cars as need to
13 be seized.

14 See if there is anything more that
15 really needs to be discussed.

16 Yes, our upcoming rules so, folks, as
17 you know, the state legislature has now
18 authorized and directed the Taxi Limousine
19 Commission to issue licenses to livery
20 vehicles that will allow those vehicles to

21 accept street hails. So livery vehicles will
22 be allowed to both accept the prearranged
23 trips and street-hailed trips.

24 We are publishing draft rules next week.

25 So please look for those. People who would
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2 like to get them e-mailed directly just ask
3 Allan. We can get them e-mailed to you if you
4 don't want to get them off the City register
5 because we are going to have an aggressive but
6 appropriately deliberate schedule for review
7 of those rules.

8 We will be scheduling a public hearing
9 for March 22nd. That is Thursday, March 22nd,
10 three weeks from today, which will be devoted
11 entirely to comment on those draft rules, and
12 so I urge you to get them right away and be
13 prepared to testify or submit your written
14 comments on March 22nd.

15 The next public session will likely be
16 the April meeting, April 19th, where we intend
17 to put those rules on the agenda for a vote.

18 So March 22nd is your opportunity.
19 Sometimes we get comments. We put something
20 on the agenda for a day. We get comments in a
21 day before. And if it is a little thing, you
22 can kind of respond to that and make a change,
23 if necessary.

24 These rules are large. They are
25 complicated. They are substantive. The only
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2 way we are going to be able to process your
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3 feedback is if we have it in a timely fashion.
4 So March 22nd treat that as your deadline
5 either by testifying in person or by
6 submission of written comments. We will need
7 your comments then if we are going to be able
8 to process them and respond to them, and the
9 Commission wants to make these rules the best
10 they possibly can be.

11 I'm sure that your feedback will improve
12 the product so it is better for us and
13 certainly better for you, but we can only do
14 that if we have the comments in time.

15 So, again, March 22nd, that's the public
16 hearing on the Boro taxi rules and I look
17 forward to seeing all of you and many more
18 then. There will be a second, Meera is
19 reminding me, we will do a second public
20 hearing after that as well, but I can't urge
21 you any more strongly, if you want comments to
22 be taken into account, March 22nd is the date.

23 >> MS. DEARCY: The second public
24 hearing is relative to when you anticipate a
25 vote so can we understand why it is so
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2 important to get the comments in earlier
3 rather than at the second hearing.

4 >> MR. CHAIRMAN: We haven't said it yet
5 but we will. First of all, there will be an
6 official public hearing on the 19th, which is
7 the same day as the due date. That is not
8 going to be very useful. Comments made at

9 that hearing will not necessarily be as useful
10 as comments made ahead of time, but then we
11 will have an evening hearing sometime in early
12 April. We haven't set that date yet, but
13 rather than wait for that, March 22nd is the
14 day. So please I hope to see you then.

15 Finally, just on a personnel note, I
16 note that several weeks ago we said farewell
17 to senior prosecuting attorney Charles
18 Tortorici who served here at the TLC for 20
19 years, since October of 1997, but 20 years
20 total with New York City service and so we
21 wish Charles well in his future endeavors.

22 We now can move to business and first
23 the minutes before you. You have the minutes
24 of the January 19, 2012 commission meeting. I
25 move that that those minutes are adopted. All
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2 in favor say aye.

3 (The Board says aye.)

4 MR. CHAIRMAN: No? Minutes of the
5 January 19th meeting are adopted. We have
6 just one base application. Chris, are you
7 presenting that?

8 >> MR. TORMEY: Good morning. my name is
9 Chris Tormey, director of applicant licensing
10 at the taxi commission. We have one base for
11 this month, 02521 for approval.

12 >> MR. CHAIRMAN: I move that we adopt
13 the commission recommendation to improve the
14 space. All in favor say aye?

15 (The Board says aye.)

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16 MR. CHAIRMAN: Opposed? No. And finally
17 we have two new additional items for
18 commission action.

19 First is the pilot program for
20 alternative in-taxi technology for credit card
21 processing for electronic trip recording.
22 This is a pilot program, commissioners. As
23 such, there is no public hearing, although I
24 see that we will be graced with a presentation
25 from Deputy Commissioner Chhabra.

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2 >> MR. CHHABRA: Good morning,
3 commissioners. Deputy commissioner for policy
4 and planning here at TLC. I would like to give
5 you a brief presentation on a pilot program
6 the TLC proposes to run to test a mobile
7 in-taxi technology system. I have a few
8 slides to brief you on the program and
9 afterwards I'm happy to answer any questions.

10 As you know, in 2008 the TLC required
11 all taxi medallion owners to install new
12 technology and passenger entertainment. This
13 equipment was done through TPEP for a taxi
14 passenger enhancement program through a
15 competitive bid process.

16 The TLC selected four vendors and
17 associated services, including process and
18 credit card transactions and transmitting this
19 data to the TLC. The TLC entered into
20 contracts with these vendors setting forth
21 detailed standards with TPEP services.

22 One of these vendors left the market
23 shortly after the contracts were signed.
24 Another failed to deliver accurate performance
25 plans and the TLC declined to renew its

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2 contract. Two vendors remain in the market,
3 CMT and Verifone.

4 The TLC contract for these vendors
5 expires in February 2013. Overall the TPEP
6 initiative has been successful.

7 Credit card processing has proved very
8 popular with passengers.

9 About 47 percent of taxi trips are paid
10 by credit card, which represents approximately
11 55 percent of the total taxi cab fare box, and
12 passenger surveys consistently show very high
13 approval rating for the credit card.

14 In fact, evidence suggests that credit
15 card acceptance may have helped in saving the
16 taxi industry from some of the impacts of the
17 recession by producing demand at a time when
18 overall economic forces are challenging.

19 The GPS-based trips recorded has also
20 been useful. They improved TLC enforcement
21 capability and have improved on our ability to
22 search passengers lost property and provide us
23 data in order for us to better formulate
24 policy.

25 Passengers reaction to taxi TV has been
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2 somewhat mixed although advertising on these
3 screens does generate revenue for the vendors

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4 which reduces cost to the licensees.

5 According to the TLC staff, they intend
6 to recommend to the Commission that new
7 borough taxis should be equipped with credit
8 card processing equipment, as well as with
9 electronic GPS trip recorders while intending
10 to recommend the TV portion of this be
11 optional for the borough taxis. And you will
12 make these decisions through a rule later this
13 year as mentioned.

14 We have also begun to plan for the
15 period after February 2013 when our contract
16 with the TPEP vendors will expire to conduct a
17 new bid process and enter into new contracts
18 with providers.

19 Another option may be to establish
20 standards through rule making and suppliers.
21 In anticipation of these decisions, we believe
22 it is very much in the interest of taxi owners
23 and drivers to ensure they have multiple
24 affordable options for credit card processing
25 and equipment services.

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2 This is especially true for the borough
3 taxis in that their segment of the market will
4 likely be less profitable which operates in
5 the Manhattan central business district and an
6 affordable option for the delivery and TPEP.

7 Accordingly, while we are very happy
8 with the performance of the two existing
9 vendors and expect them to continue providing

10 service to both the medallion fleet and the
11 borough taxi fleet, we want to encourage
12 additional entrance to the market for
13 providing these services and wish to evaluate
14 new options which take advantage of
15 technologies which have occurred since the
16 launch of TPEP in 2008 - the iPhone had just
17 been released and the iPad was just two years
18 away - and establish a pilot program to test
19 new alternative in-taxi technology systems in
20 yellow medallion taxi cabs.

21 The primary pilot has been Square, which
22 was founded in 2009 by Jack Dorji, the
23 creator, and two billion dollars in annual
24 payments and used by 800,000 businesses.

25 Square offers a new and innovative way
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2 to enable credit card payments on customizing
3 a unique system for the New York City taxi
4 market, including GPS data, passenger
5 interface assuming silent ad, free display and
6 offers credit card processes at a low rate to
7 drivers as well as enabling messages to
8 drivers.

9 Square offers a flat rate of
10 2.75 percent as opposed to our current 5
11 percent under our rules and provides payouts
12 to drivers for the next business day using a
13 small free hardware device that can be plugged
14 into a head phone jack iPad.

15 Several of the commissioners have asked,
16 and while underscoring, Square is compliant

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17 with all applicable payment card industry data
18 security standards, and as a member of the PCI
19 Security Standards Council's Mobile Task
20 Force, is working to help define the industry
21 standards for secure mobile payments.

22 Square's mission is to help businesses
23 easily accept credit card payments at low
24 rates. They are especially popular among
25 small businesses that can't afford hardware.

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2 Their product is already used by a
3 number of our livery services and by thousands
4 of taxi drivers elsewhere in the country.

5 Here you will see some feedback from
6 passengers, taxi passengers, where Square was
7 present in taxis and some of the press their
8 product has received generally.

9 So what does the Square taxi New York
10 City solution look like? There you will see a
11 couple of screen shots of what the proposal
12 is.

13 It consists of a driver-facing iPhone,
14 which is coupled with a Square car meter which
15 will allow the TLC and vehicle owners to send
16 SMS passengers to drivers, will allow drivers
17 to verify credit card payments similar to the
18 way the driver information monitor and the
19 TPEP system currently works and will provide a
20 platform for potential future enhancements,
21 for example, a driver-facing navigation
22 system.

23 There is a passenger-facing iPad. This
 24 takes the place of the passenger information
 25 monitor in the back seat, which is a card
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2 reader, which will display a digital map and
 3 provide passengers with means of credit or
 4 credit card processing and which services the
 5 platform and apps.

6 To be clear, the iPad will not support
 7 such content or plans on day one. I know you
 8 may have read in the press about the potential
 9 for angry words or words with friends and
 10 taxis, but what we are testing here first and
 11 foremost is the ability of the iPad to deliver
 12 that most important functionality payment and
 13 trip record processing.

14 Though it is worth noting that one of
 15 the potential benefits of the iPad here is its
 16 accessibility to visually impaired and hearing
 17 impaired passengers, which is a functionality
 18 that TLC is especially keen on testing at the
 19 appropriate time.

20 Finally where necessary, Square will
 21 upgrade the meters in participating vehicles
 22 in this pilot to smaller pulsar Square systems
 23 at no additional cost to the vehicle owners.

24 There is no word on the specifics of the
 25 pilot program.

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2 Square will be authorized to test their
 3 systems in up to 30 taxi cabs through the
 4 ending date of the current TPEP contracts,

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5 which is February 13th, or possibly longer, if
6 the contract is extended and that is a very
7 limited pilot. That represents .2 percent of
8 the entire taxi fleet but that is enough to
9 test the new technology.

10 The systems will permit the
11 participating medallion owners and drivers to
12 provide credit card capability, which has been
13 the most added feature, while lowering
14 transaction costs to drivers, the 5 percent
15 transaction rate having been widely the most
16 criticized aspect of your current system and
17 eliminate advertising and content that runs on
18 the TPEP screens.

19 Square will be required to, just like
20 TPEP vendors are required to, submit data to
21 the TLC on a regular basis and provide much of
22 the functionality the TP systems provide.

23 Square will solicit volunteers from
24 medallion owners to participate in the pilot
25 program.

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2 If they approve the pilot program,
3 Square and TLC will publicize and call for
4 applications to gain information on a variety
5 of prospectuses and usage patterns among fleet
6 owners, owners/operators and DOV.

7 They are looking for participants who
8 are comfortable using new technologies and who
9 will be able to spend time providing feedback
10 with the piloting technology. Square will

11 select the pilot participants based on their
12 response.

13 To be clear, TLC is not requiring any
14 medallion owners to participate in this pilot.
15 Any medallion owners will participate on a
16 wholly voluntary basis.

17 They will be required to swap out their
18 current TPEP systems and make any early
19 termination payments to the current TP
20 providers and will install iPad phones for a
21 flat fee of \$350.

22 There you see another screen shot of the
23 Square system. It is worth noting the Square
24 system may benefit drivers, owners, passengers
25 and the TLC beyond just the ability to test
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2 new technologies.

3 As I mentioned before, Square offers
4 hard processing and a flat rate of
5 2.75 percent compared with approximately
6 three-and-a-half/five percent on the current
7 TPEP systems depending on the business model.

8 In preliminary conversation with
9 owners/drivers Square has received very
10 positive feedback on this structure.

11 Square will also provide next day
12 business turnaround on vendor payout to ensure
13 they will be paid for car fare directly to
14 drivers who will each have their own accounts
15 thereby reducing the need to manage for their
16 drivers. Another feature that appealed to
17 owner/drivers.

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18 The iPad will feature a local on screen
19 map, an indicator showing passengers current
20 information, location on the subway lines, no
21 running fare calculation and the current
22 weather report.

23 Initially, the monitor will not run any
24 video content including any advertising and no
25 TV in sound, in effect, TPEP ambient noise,
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2 something the drivers and passengers have had
3 issues with.

4 Having a silent option will allow the
5 TLC to address this concern and allow a test
6 of the financial viability of advertising free
7 products.

8 Passengers will now also be able to
9 receive their receipts by e-mail or text
10 message in addition to paper option. This will
11 provide convenience to passengers, will
12 facilitate expense reimbursement, which may
13 make taxis more attractive for business use
14 and lost property and responding to customers
15 complaints and enforcement issues.

16 The Square system will allow passengers
17 to swipe a card for payment at any point
18 during the trip. Once the passenger swipes
19 his or her credit card, the card's information
20 will be stored for the remainder of the trip
21 and prompted to complete the transaction at
22 the end. This will reduce transaction time at
23 the end of the trip. Something that will

24 benefit drivers as well as passengers.

25 Square is also collecting aggregate trip
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2 data and submission to the TLC over the course
3 of the pilot.

4 Square will work with TLC to develop
5 additional data reports that may assist TLC in
6 understanding taxi behavior and better
7 regulating the industry.

8 Again, to be clear, the purpose of the
9 pilot is not to determine whether the TLC
10 should approve Square as a TPEP vendor. There
11 will be a separate procedure for that in
12 appropriate time or another procurement or
13 establishment of specifications.

14 The purpose of this pilot is to test
15 some of the new or off-the-shelf technologies
16 by iPhones, iPad, android devices for taxi use
17 and to gauge whether this technology can
18 survive and thrive in the rigorous New York
19 environment; two, to test a different
20 interface that lends greater user
21 customization than the current screens and,
22 three, to test hard payment capability at
23 lower cost to drivers.

24 Essentially, as TLC contemplates the
25 incorporation of TPEP into the borough fleet
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2 and upcoming TP, at this point, this pilot
3 will enable the TLC and the industry to begin
4 to learn about the feasibility of alternatives
5 to the current approach.

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6 As you know, TLC conducts pilot programs
7 to promote innovation and experimentation. In
8 innovation TLC relaxes its rule for the
9 duration of a pilot program and, therefore,
10 the pilot program will allow Square and
11 medallion owners to deviate from several ways
12 including those numbered on this slide.

13 Square will not be required to meet all
14 TPEP specifications required by TLC rules.

15 For example, Square will not be required
16 to collect all the data currently required by
17 TPEP vendors such as the last four digits on a
18 passenger credit card.

19 Medallion owners will not be able to
20 withhold the MTA tax payment from drivers in
21 the way it is currently outlined in our rules.

22 As the Square system will pay drivers
23 directly, medallion owners will separately
24 collect this amount from drivers for the
25 payment to the MTA which also is permitted
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2 under our rules and participating vehicles
3 will be exempt from hand-held device
4 regulations.

5 Drivers-face iPhones which will be
6 considered deadly are not deemed a violation
7 of this condition.

8 So today we are asking permission for
9 approval of the pilot with Square which I just
10 described to you.

11 In addition, we seek approval for the

12 current TPEP providers, CMT and Verifone, to
13 also be allowed to conduct similar pilots in
14 testing alternative cab technology subject to
15 TLC approval or subject to specific
16 performance.

17 In addition to Square, CMT and Verifone
18 will also consider proposals for one other
19 participant to a pilot and alternative taxi
20 system up to 30 vehicles.

21 To be considered, potential pilot
22 participants must have a system that offers
23 substantially what the current TPEP system
24 has, are able to provide passenger monitoring,
25 driver monitoring capable of communicating

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2 with meter and credit card processing.

3 The current vendor should be able to
4 offer competitive credit card rates and be
5 willing and able to report to the Commission
6 on a basis decided by the Commission.

7 The proposed system must also provide
8 some innovation of the current TPEP systems
9 and these pilot programs do not and must have
10 a demonstrated track record of reliability and
11 security.

12 So if there are others who have the
13 capability of meeting the criteria outlined
14 here, they should submit their proposal to the
15 TLC by April 27th and we will evaluate the
16 proposal for pilot program purposes.

17 Thank you for your attention. I will be
18 happy to answer any questions you might have

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19 and representatives from Square are also here
20 today and happy to provide any answers you may
21 have.

22 >> MR. CHAIRMAN: Thank you very much.
23 Deputy commissioners, I think there are some
24 questions. Commission Weinshall.

25 MS. WEINSHALL: When we were originally
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2 presented it was going to be 50 cars and now
3 it's down to 30.

4 what is the rationale for that?

5 MR. CHHABRA: The thinking there, and
6 this was based on actually helpful feedback
7 from our existing TPEP provider, the thinking
8 there is if the purpose is to really innovate,
9 they have innovations that they could
10 introduce to the market as well given their
11 background in the market.

12 Much of what they are able to do they
13 are constrained by their current contract, but
14 if there is a pilot program and we are really
15 white-boarding this, then they stand ready to
16 pilot proposals on their own.

17 what happened is you have 30 Square
18 cars, 30 CMT cars, 30 Verifone cars. You
19 actually have at the end of the day more than
20 the 50 that we were originally to pilot.

21 >> MR. CHAIRMAN: That is the essence of
22 it. Once we realized it was an excellent idea
23 suggested by the existing vendors to give them
24 that same opportunity to innovate in a very

25 limited way, 50 times three then started to
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2 seem a little much. So we wanted to -- there
3 is no magic number reducing a little bit of
4 size.

5 We still, of course, want this to be as
6 many vehicles. We need to see how it works
7 but we know we like what we have. That is the
8 bulk of the fleet.

9 MS. WEINSHALL: The length of the pilot
10 is how long?

11 >> MR. CHHABRA: The end of the term of
12 the TPEP contract is February of 2013.

13 >> MS. DEARCY: I just have one
14 question: How do you get customer feedback,
15 in-user feedback on the pilot?

16 >> MR. CHHABRA: So what we currently
17 run surveys on the taxi screen. That's an
18 excellent tool. But because Square can have
19 direct user accounts, you are going to have
20 your e-mail. You are going to have your
21 receipts SMS. You could have it e-mailed to
22 you. That could provide another avenue for
23 direct customer feedback if the customers are
24 willing to participate in that.

25 >> MR. CHAIRMAN: I don't think we have
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2 detailed a plan for that, but we should do
3 that, and let's survey to the commissioners
4 the specifics of how we intend to get customer
5 feedback both from the drivers and passengers.

6 >> MR. CHHABRA: For the drivers because
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7 they are signing up to be pilot participants,
8 they are signing up to provide that feedback
9 directly but getting passenger feedback is
10 very important. We will emphasize that.

11 >> MS. MARINO: I have one comment. Is
12 that on now? I actually am a Square user in
13 my office. I'm a small business myself and I
14 use Square. It is a terrific product. I have
15 no complaints. My only concern with the taxis
16 is safety of the driver.

17 The iPad is an incredibly hot item. The
18 iPhone is being stolen on the subway, that was
19 my only concern, to protect drivers. Drivers
20 are getting shot for a lot less than an iPad.
21 I know it is going to be bolted in.
22 Obviously, the safety for the driver getting
23 robbed.

24 MR. CHHABRA: It is a paramount concern
25 of ours as well. If you could tell from the
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2 visual, these are encased in a hardened case,
3 which is going to be affixed by the
4 plexiglass. So the ability for someone to get
5 at it, this is New York and we all --

6 MS. MARINO: Where there is a will there's a
7 way. That was just my concern.

8 MR. CHHABRA: And I know that drivers
9 will be provided with safes for the iPhone
10 portion of it, if you are not comfortable
11 taking it with you, taking it home, and you do
12 need to secure it in the car. There is a need

13 for doing that as well.

14 >> MS. MARINO: I don't know. It is a
15 voluntary thing. I think the drivers ought to
16 think about that as well. They are very hot
17 items.

18 MR. CHHABRA: What I envision when we're
19 doing driver outreach to seek pilot
20 participants, there will be a risk factor, for
21 example. So there is clear disclosure on they
22 are using the benefits of signing up here and
23 these are some of the costs you may face and I
24 think that is --

25 >> MS. MARINO: They will be reminded of
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2 that risk, so to speak. It is a great
3 program. I have a law office. In the back of
4 a car for New York City it is something
5 different.

6 >> MR. CHHABRA: That is driver safety.
7 Passenger safety is a paramount concern of
8 ours, and this is one of the things you do
9 pilot programs to find out.

10 Everyone always says put an iPad on the
11 back of the cab. It is a great device. You
12 ask someone put an iPad on the back of the
13 cab, it will be gone the next day. We will
14 find out.

15 >> MR. CHAIRMAN: It does remind me,
16 things like the Metro Cards, when you do a
17 dramatic change, you figure on envisioning all
18 kind of problems.

19 In reality, if you prepare for them, I

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20 think you can preclude them, and I think the
21 staff is taking every precaution they can to
22 make sure security is the top priority.

23 >> MR. CARONE: One quick comment. I
24 think you and the staff deserve a lot of
25 credit for a real thorough job you've done,
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2 keeping an eye on the prize, which is to
3 foster innovation, increase competition and at
4 the same time seek industry comment and listen
5 to all those with a vested interest in order
6 to come with a pilot program that truly
7 accomplishes that goal.

8 But if you could just comment a little
9 more, I know you touched on it in your
10 presentation, about PCI and customer security
11 and what that means.

12 >> MR. CHHABRA: Sure. As I mentioned,
13 and I know this is an issue that several of
14 the commissioners wanted clarity on and
15 representatives from Square had spoken with
16 commissioners to address this concern, the
17 Square system complies with all applicable
18 PCIDS standards.

19 That is the payment, that is the
20 industry standard that has been promulgated
21 for digital platforms, and there are several
22 guidelines that are applicable for mobile apps,
23 which haven't been promulgated yet.

24 So until there are guidelines and rules
25 in place, you can't be compliant with them,
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2 but the overall PCIDS compliance that is
3 something that they currently meet.

4 And I know there have been questions
5 about, well, there is the little white square
6 and is that what we are going to see in the
7 cabs? That's not what we are going to see.

8 As you saw from the visual, and you'll
9 see what they have done is they have hardened
10 the case around the iPad and integrated a card
11 swipe not dissimilar to what you see with the
12 current TPEP systems. So it is ultimately
13 custom built for the New York City
14 environment.

15 >> MS. MARINO: It is a specially
16 designed iPad?

17 MR. CHHABRA: They have taken an iPad
18 and added to it.

19 The way it generally works you have your
20 Smart Phone and something plugs into that.
21 This is not that. This goes beyond that.
22 That was not sufficient for the taxi industry.

23 >> MR. CHAIRMAN: The iPad is a standard
24 iPad but the casing is custom for this
25 program.

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2 >> MR. CHHABRA: We will have some after
3 this meeting for commissioners to review. You
4 can see the item itself.

5 >> MR. CHAIRMAN: Available for 4.99.
6 Yes.

7 Are there further questions? If not, I
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8 move that we adopt the pilot program. All in
9 favor say aye.

10 (The Board says aye.)

11 MR. CHAIRMAN: Opposed? No. The vote is
12 adopted. Thank you again, commissioner, for
13 your very excellent work on this.

14 Do we have a presentation on the receipt
15 rule? Last week we had or two months ago we
16 did the hearing, the public hearing on this
17 rule.

18 Commissioners, this rule will very
19 simply permit advertising on the back of taxi
20 receipts. It is not a requirement but this
21 idea was put forward by some in the industry
22 that there is a potential source of revenue
23 here.

24 My perspective has been that anything
25 that brings revenue to the industry is a good
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2 thing, if there is no great customer cost to
3 or burden associated with it because,
4 ultimately, the costs in this industry are
5 borne by the fare payers and any revenue other
6 than fare revenue helps to hold down pressure
7 on the fare, even though they may be small in
8 this case and indirect of this case. So I
9 support this.

10 we did have a public hearing on it. So
11 it is not necessary to do it again but, if
12 commissioners have questions, we can have the
13 appropriate person address them. If not, I'm

14 prepared to vote, call for a vote.
15 So I vote that we approve the rule
16 before us today on receipt advertising. All
17 in favor say aye.

18 (The Board says Aye.)

19 MR. CHAIRMAN: Opposed? No. The rule
20 is adopted.

21 Thank you very much. With that, that
22 concludes the hearing. I note for the record
23 that the hearing concludes at 11:10. It is
24 really 11:12 more or less.

25 One last time, I would just ask all
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2 industry stakeholders please save the date,
3 March 22nd. If you would rather get an e-mail
4 copy of the borough taxi rules, just ask Allan
5 Fromberg. He will make sure it gets to you.

6 We are very eager for your feedback on
7 these rules and to hear from you in a timely
8 way. I will see you on March 22nd. With that
9 the hearing is adjourned.

10 (Whereupon, the hearing is concluded at
11 11:12 a.m.)

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C E R T I F I C A T E

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

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