

NOTICE

TERMINATION OF HOSPITALITY INITIATIVE

Change to Approved Meter List

End of Hospitality Initiative.

Pursuant to the December 19, 2011 decision of the Authority, the Hospitality Initiative will end on June 1, 2013, after an industry-wide meter system upgrade to all participating medallion taxicabs is completed by VeriFone (“New System”). The New System will be installed without any charge to the medallion owner or driver. All costs are paid by the Hospitality Initiative. A similar meter system is already in use in New York City, Las Vegas and Boston.

The Authority’s contract with the Hospitality Initiative provider (“VeriFone”) will end on June 1, 2013. After that date all medallion owners and dispatchers will need to cover the costs of acquiring and maintaining an Authority approved taxicab meter system, without assistance from the Hospitality Initiative. The existing terms of use in place for the current taxicab meter system installed through the Hospitality Initiative will continue unless specifically altered as referenced here.

The New System will be very similar to that in place now, with the following enhancements:

- A new VeriFone TX36N Meter.
- Global positioning capabilities at twenty times faster rate.
- Large color ten inch screen in passenger compartment.
- Improved driver information monitor front seat screen with improved state of the art turn by turn voice navigation and functionality.
- An ultra modern thermal printer for receipts (will greatly reduce printing times and costs of replacement).
- New rear-seat advertising options (detailed below).
- A reduced cashless payment handling and processing fee option.

Change to Approved Meter List.

The Authority’s regulations provide that Philadelphia taxicabs may only use meters identified on the Authority’s list of approved meters (the “Meter List”). 53 Pa. Code § 1017.23. The meter currently identified on the Meter List that is authorized for use in all medallion taxicabs had been in use as part of the Hospitality Initiative, which began in 2006 (the “Existing Meter”).

Consistent with the Authority’s December 19, 2011 decision to amend the existing Hospitality Initiative agreement, the Authority anticipates removal of the Existing Meter from the Meter List by June 1, 2013. Before that date, every medallion taxicab will be scheduled for installation of the New System, unless the medallion owner has opted out as provided below or is then currently scheduled to have the New System installed.

Scheduling of Meter Installation.

Each medallion owner will soon be contacted with a date and time to present its taxicab for a free installation of the New System. Each medallion owner will receive at least 2 weeks notice of the installation date. Each medallion owner may reschedule the date of installation by following the instructions on the scheduling notice. It is anticipated that the New System will be installed in all participating taxicabs before September 1, 2012. Once removed, the Current Meters will be delivered to the Authority. Failure to appear at a scheduled installation may place a medallion owner in violation of § 1017.23.

Dispatchers.

VeriFone will provide each participating dispatcher with upgraded software to permit communication and other applicable interactions between the taxicab meters and the dispatcher. The software will be provided free of charge and by appointment. The Authority will work with each dispatcher to arrange a time to complete the software upgrade.

Additional Options.

Each participating medallion owner may accept the New System for the terms of the Authority's contract with VeriFone (ending June 1, 2013). **No medallion owner is required to sign a contract with VeriFone.**

Medallion owners may negotiate with VeriFone for longer terms and more favorable conditions during the term of the Authority's contract and beyond, but medallion owners are guaranteed the benefits provided through the Authority's contract. On June 1, 2013, either VeriFone or the medallion owner may direct the removal of the New System from a taxicab that has not entered into an agreement related to the use of the New System after that date. Only VeriFone may remove the New System and VeriFone will retain title to any New System not subject to a contract.

New Advertising Capabilities.

The New System is capable of providing rear-seat advertising through its larger 10 inch color screen. No medallion owner shall be required to participate in the advertising program.

If a medallion owner chooses to participate in the advertising program, VeriFone must provide the medallion owner with a payment of \$75. Once a medallion owner opts into the advertising program, the medallion owner and VeriFone are free to negotiate terms and conditions including potential advertisement revenue sharing. The Authority will receive no portion of advertisement revenue.

Opt Out Provision.

There are several medallion taxicabs that are currently using an alternative meter system proposed by a dispatcher named Freedom Taxi. That meter system is in a test phase ("Alternate Meter"). Taxicabs may continue to provide taxicab service using the Alternate Meter during its testing phase and upon the addition of that Alternate Meter to the Meter List, provided testing is successful.

A medallion owner may opt out of having the New System installed by providing written notice that it will join Freedom Taxi dispatch association and provide taxicab service through the use of a hybrid vehicle that has never before been used to provide taxicab service in the City of Philadelphia or elsewhere, or a wheelchair accessible vehicle equipped with the Alternate Meter beginning on or before October 1, 2012. The notice of intent to join Freedom Taxi must be forwarded to the Director of the TLD in writing before May 4, 2012.

A medallion owner may also opt out of having the New System installed by providing written notice of its intent to continue to use the Existing Meter. A medallion owner's notice that it will opt out of using the New System and continue to use the Existing Meter must be provided to the Director of the TLD in writing before June 1, 2012.

Early Opt In Provision.

The Authority will accept written requests from medallion owners and dispatchers to participate in the testing phase of the New System and for early installation of the New System. The request for early opt in must be forwarded to the Director of the TLD in writing before May 4, 2012.

Removal of Meter after Installation.

Up to 100 medallion taxicabs may have the New System removed and replaced by the Alternate Meter by joining Freedom Taxi Association as provided above under "Opt Out Provision" prior to June 1, 2013, although a \$65 removal fee payable to VeriFone will apply.

In addition to the 100 removals referenced above, medallion owners that have not entered into a contractual relationship with VeriFone extending the length of time the New System will be used, may have the New System removed and replaced by the Alternate Meter by joining the Freedom Taxi Association as provided above prior to June 1, 2013. An early termination fee of \$1,250 payable to VeriFone will apply to those removals.

All removals of the New System must be performed by VeriFone or its agents and will not be removed until the removal or termination fee, whichever is applicable, is paid in full. VeriFone will retain ownership of the New System.

System Functionality.

The New System will work much like the one in use now, but will offer greatly improved functionality and options (noted above). Functionality specifications may be found at www.philapark.org/tld.

Questions and Concerns.

You are encouraged to contact the Authority with any questions you have about the new meter system. Please direct any questions concerning these terms of use to the TLD at 215-683-9417.