

**THIS PRINT COVERS CALENDAR ITEM NO. : 12**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Finance and Information Technology

**BRIEF DESCRIPTION:**

Amending Transportation Code, Division II, Article 1100 to reflect the issuance of 50 new part-time single operator permits, 35 new full-time taxi medallion permits, and two full-time, temporary electric taxi vehicle permits.

**SUMMARY:**

- There are currently 1,500 taxis authorized to operate full-time (two ten-hour shifts daily every day of the year) in San Francisco, which includes 100 wheelchair accessible “ramp” taxis. There is currently no data regarding the efficiency of the operation of existing taxis.
- Taxi service is considered unreliable by residents of San Francisco, who have expressed the difficulty in accessing taxis particularly during peak times (with Friday and Saturday nights 4:30 p.m. until 3:30 a.m.).
- By issuing 50 part-time “medallions” (permits) to individual drivers based on experience and merit, the SFMTA can create a new type of taxi driver work opportunity that involves independence and choice of work schedule. The lease terms created for these permits would create an incentive to respond to radio calls for service during peak times.
- To mitigate the effects of the Taxi Medallion Sales Pilot Program on the waiting list, the SFMTA also recommends issuance of 25 additional full-time medallions that would be applied to the existing waiting list. Ten additional full-time medallions would be sold by the SFMTA under the Taxi Medallions Sales Pilot Program, for a total of 35 new full-time permits.
- Two additional, temporary full-time permits are required for the two battery switch electric vehicle pilot program. These vehicles are expected to be operational in 2012.

**ENCLOSURES:**

1. SFMTAB Resolution
2. Transportation Code Division II modifications
3. Reports of Hearing Officers from Town Hall Meetings held on June 1, 6 and 8, 2011.

**APPROVALS:**

**DATE**

DIRECTOR OF DIVISION

PREPARING ITEM \_\_\_\_\_

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FINANCE \_\_\_\_\_

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EXECUTIVE DIRECTOR/CEO \_\_\_\_\_

\_\_\_\_\_

SECRETARY \_\_\_\_\_

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ADOPTED RESOLUTION BE RETURNED TO Sonali Bose

**ASSIGNED SFMTAB CALENDAR DATE:** \_\_\_\_\_

## **PURPOSE**

Amending Transportation Code, Division II, Article 1100 to reflect the issuance of 50 new part-time single operator permits, 35 new full-time taxi medallion permits, and two full-time, temporary electric taxi vehicle permits.

## **GOAL**

Approval of the Transportation Code, Division II modification will support the following SFMTA Strategic Planning goals:

- Goal 1: Customer Focus: To provide safe, accessible, clean, environmentally sustainable service and encourage the use of auto-alternative modes through the Transit First Policy
- Goal 2—System Performance: To get customers where they want to go, when they want to be there
- Goal 3: External Affairs/Community Relations: To improve the customer experience, community value, and enhance the image of the SFMTA, as well as ensure SFMTA is a leader in the industry
- Goal 4: Financial Capacity: To ensure financial stability and effective resource utilization

## **DESCRIPTION**

There are currently 1,500 taxis authorized to operate full-time (two ten-hour shifts daily every day of the year) in San Francisco, which includes 100 wheelchair accessible “ramp” taxis. Other than the recently implemented electronic monitoring of paratransit transactions through the Paratransit Debit Card program, there is no current data regarding the efficiency of the operation of existing taxis.

Taxi service is considered unreliable by residents of San Francisco. According to a survey conducted by the San Francisco Police Department Taxicab Detail in 2000, San Franciscans had about a 40 percent chance of getting a taxi to service a dispatch call. The primary failure of San Francisco taxi service at that time was the inability to provide reliable response to requests for dispatched taxis to residents in the neighborhoods. Taxi customers who flagged down taxis on the street in downtown areas had reasonable success: in 87 percent of cases a person could flag down a taxi in the downtown area within five minutes, and there was a 94 percent success rate within ten minutes.

One way to improve reliability is to issue additional permits to put more taxis on the street. Comparing San Francisco to other comparable jurisdictions supports the issuance of additional taxi permits. According to a 2005 study by Schaller Consulting, which established a regression model to identify the principal factors that indicate the demand for taxis based on a survey of 118 American cities with populations over 100,000, and, given the data available (which did not include the number of service miles, trips or dispatch requests – data which would assist in measuring demand), the three best indicators of taxi demand are:

- The number of residents who use transit;
- The number of no-vehicle households; and
- The number of airport pick-ups.

Additional variables relevant to San Francisco include:

- The number of visitors, convention delegates or downtown hotel occupancy rates; and
- Demand generated by paratransit programs.

According to these criteria, San Francisco can easily support the issuance of the moderate number of additional taxi permits recommended herein. The table below compares San Francisco to several other cities that have reasonably similar characteristics (population, international airports, small land mass, major transit system, level of tourism). It shows that among comparable cities, San Francisco has a low level of taxis per capita:

**TABLE 1: Three-City Comparison**

<b>City:</b>	<b>San Francisco</b>	<b>Washington D.C.</b>	<b>Boston</b>
Area:	47	61	48
Population:	744,041	599,657	590,673
Number of Taxis:	1,500	7,300	1,825
Taxis per Capita:	2.02	12.17	3.09
Number of Car Households (%):	29	37	35
Weekday Subway Rides:	357,800	496,400	953,500
Transit to Work (%)	33	35	33
Annual Airport Pick-ups:	968,237	1,825,000	1,630,333

\* Source: Carfree Database (2000 census)

\*\* Source: *American Public Transportation Association Report*, First Quarter 2011.

\*\*\* Source: *Assessing the Full Cost of Implementing an Accessible Taxicab Program* –Center for Transportation Studies – University of Missouri at St. Louis, March 2010.

### **Taxis per capita**

As the Schaller study further concludes, the number of taxis per capita is not in itself a reliable indicator of taxi supply and demand. This is because there is a no standard ratio of the optimum number taxis to population, as can be seen in the table above, because “taxi vehicle utilization levels vary significantly from one city to the next”. Also, the number of taxis in itself does not provide any means to measure actual taxi usage and demand. However, using taxis per capita as one comparative benchmark with other similarly situated cities, San Francisco’s taxi per capita rate is quite anemic. To give some context to the wide variance in the number of taxis per capita shown in the table above, for the cities used for this comparison, the Schaller model provided the following:

“The model predicted substantially fewer cabs than are actually licensed in Washington D.C., . . . [a city] in which there is reason to believe that an oversupply of cabs exist. Conversely, the model predicts a substantially larger number of cabs in San Francisco [and] Boston, . . . jurisdictions that have traditionally limited the number of cabs below market demand.<sup>1</sup>

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1 *A Regression Model of the Number of Taxicabs in the U.S.*, Schaller Consulting (2005), page 6.

## Visitors, convention delegates or downtown hotel occupancy rates

The table below shows that among our comparison cities, San Francisco has experienced the largest increase in the number of overseas visitors over the past several years.

**Table 2: Overseas Visitors to Select U.S. Cities: 2009-2010<sup>2</sup>**

City:	San Francisco	Washington D.C.	Boston
<b>2009 Market Share</b>	9.4%	6.5%	4.8%
<b>2009 Visitation (000)</b>	2,233	1,544	1,140
<b>2010 Market Share</b>	10.0%	6.6%	4.5%
<b>2010 Visitation (000)</b>	2,636	1,740	1,186
<b>Volume Change (%)</b>	18%	13%	4%

The number of hotel guests coming to San Francisco also increased over the past two years, from 4.52 million guests in 2009, to 4.89 million guests in 2010, an increase of eight percent.<sup>3</sup>

### Demand generated by paratransit programs

San Francisco has been a paratransit leader among American cities due to its innovative use of taxis to provide efficient and comparatively inexpensive paratransit service. While the comparison cities of Boston and Washington D.C. do not use their taxi fleet for paratransit service at all, San Francisco's taxi fleet provides nearly 1,500 paratransit trips every day to San Francisco residents.

### Recommendations

The following section highlights four recommendations.

#### Recommendation 1:

Issue 35 full-time medallions made up of 25 new, full-time medallions to the drivers at the top of the medallion waiting list and ten medallions for sale pursuant to the Taxi Medallion Sales Pilot Program, with the following stipulations: (a) The new medallion permits should be required to be hybrid, electric or compressed natural gas (CNG) vehicles, with the exception that if a vehicle costs more than \$25,000, other fuel choices may be authorized depending on other vehicle performance factors such as passenger capacity and/or fuel efficiency<sup>4</sup>; and (b) the medallions should be required to be operated as gas and gates medallions (medallions driven by drivers who work shifts at a company) for the first three years, in accordance with the March 14, 2011 recommendation of the Taxi Advisory Council.

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2 US Dept. of Commerce, Office of Travel & Tourism Industries.

3 *Executive Summary San Francisco Visitor Profile Research*, Destination Analysts, Inc. (February 2011).

4 Staff will investigate the ability to acquire vehicles through City fleet procurements and grant funds in order to reduce vehicle costs to taxi operators.

Additionally, SFMTA is issuing a request for proposal for a public convenience and necessity study to determine the appropriate number of taxis in San Francisco going forward.

**Effects on the public:**

- Additional vehicles will tend to enhance the reliability of taxi service in San Francisco.
- By requiring that all new medallions be operated as gas and gates for the first three years, drivers and vehicle quality will be subject to better oversight by taxi companies, resulting in a better customer experience.

**Effects on taxi drivers:**

- The drivers on the taxi medallion waiting list will be reduced if additional medallions are issued to the list.
- Drivers do not generally support the issuance of full-time medallions because they increase competition for scarce business during daytime shifts. However, additional medallions will tend to improve reliability and thereby increase the amount of business available to daytime drivers in the long-term,<sup>5</sup> provided that the SFMTA accompanies the issuance of new full-time medallions with effective outreach promoting taxi service to the public and increasing the utilization rate of taxis (“paid” versus “unpaid” miles), especially for daytime shifts.
- By requiring that all new medallions be operated as gas and gates for the first three years, new medallions will provide more shifts for gas and gates drivers.

**Effects on taxi companies:**

- By requiring that all new medallions be operated as gas and gates for the first three years new medallions will economically support taxi companies which derive much more revenue from gas and gates medallions than from “affiliate lease” medallions.
- Taxi companies will have additional resources to meet the dispatch demand of their customers and will be able to exercise greater quality control over gas and gates vehicles and drivers thus enhancing their brand which will in turn encourage companies to take responsibility for customer service.

**Recommendation 2:**

Issue two temporary, full-time permits for the two battery-switch electric vehicles that are expected to be operational in early 2012.

These permits would be leased for a fixed term of three to five years (based on vehicle service life expectancy and anticipated mileage, to be determined) to a company under terms and conditions to be negotiated between a taxi company, the SFMTA and the private firm Better Place, as part of the Metropolitan Transportation Commission’s \$7 million grant for up to 50 electric taxi vehicles in San Francisco. If the pilot program succeeds, battery-switch electric taxi vehicles would eventually be assigned to regular, permanent medallions like any other vehicle.

**Recommendation 3:**

Issue fifty (50) single operator part-time pilot program permits.

Part-time permits create the ability to better serve the taxi riding public during periods of high demand, and allow taxi drivers to make a better income by working premium ‘peak time’ shifts.

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5 SPUR at page 3.

Because this is an experimental program to measure economic viability and market supply and demand, it is recommended that part-time permits to both companies and drivers be for a limited term, after which time the program can be re-evaluated and either abandoned if it is not successful, or adjusted to address lessons learned during the pilot program period.

This type of permit would be awarded based on seniority and merit to our most experienced drivers. These permits would be leased to drivers by the SFMTA with a built-in incentive to reduce or eliminate the SFMTA monthly fee by responding to radio calls for service.

These permits would allow the driver to operate the vehicle from home (the driver must provide off-street parking for the taxi vehicle) and on the driver's own schedule. The SFMTA would lease these permits directly to the driver. Drivers could also elect to share a single operator permit with one other qualifying driver. The monthly dispatch incentive fee would be adjustable, based on the rate of dispatch response by that driver. The table below shows the proposed adjustment of the fee structure based on dispatch response:

Completed radio calls	Monthly SFMTA Dispatch Incentive Fee
40 or more per week	\$400 discount off \$400 fee
20 or more per week	\$200 discount off \$400 fee

The following section highlights the rules proposed for the single operator permits.

*How many hours could a single operator work?*

1. Minimum 160 hours a month
2. Maximum 240 hours a month
3. No more than 12 hours in a 24 hour period
4. No more than 175 miles per shift on average

*When could a single operator work?*

Any time the operator chooses to work so long as they work at least the minimum and not more than the maximum driving hours.

*Where could a single operator work?*

A single operator would not be allowed to "deadhead" to the airport, although they could take passengers to the airport from the City.

*What are the costs that a single operator would have to cover?*

Estimated monthly cost of \$3,100 to cover vehicle payments, maintenance and repair, insurance, and other fees.

*Who would be offered a single operator permit?*

Single operator permits would be offered to drivers based on their A-Card seniority and a knowledge test. Additional traffic safety, financial planning and customer service training may also be required.

*Is a single operator permit permanent?*

No. A permit would be leased to the driver by the SFMTA for a three-year period. If this pilot program is continued, and if the driver complies with the permit terms, the permit would be renewed. The driver could elect to terminate the lease at any time, but would remain responsible

for the vehicle and insurance payments unless and until the single operator resells the vehicle and terminates the insurance contracts.

*What kind of vehicle can a single operator use?*

A single operator can use any model of hybrid, CNG or electric vehicle that is already being used as a San Francisco taxi, with the exception that if a vehicle costs more than \$25,000 other fuel choices may be authorized depending on other vehicle performance factors such as passenger capacity, accessibility and/or fuel efficiency.

*Would a single operator be required to affiliate with a color scheme?*

Yes. Single operators would affiliate with a color scheme that operates a qualifying dispatch service. A qualifying dispatch service is one that meets dispatch performance standards as determined by the SFMTA. The single operator vehicle's paint color could either be a new and distinct single operator color scheme, or the paint color of an existing color scheme, or a combination of the two.

*How would the permit conditions be enforced?*

Single operator vehicles would generate electronic reports about their hours of operation, mileage and dispatch response through their dispatch service. If the number of hours or mileage limits are exceeded or are insufficient, the operator would first be warned to comply with the permit conditions, and if the violations continue, the lease would be revoked and offered to the next qualifying driver in line based on A-Card seniority. A permit could also be revoked if there is a pattern of corroborated complaints against the operator or other disciplinary problems. Detailed permit conditions would be incorporated into the lease document.

*What insurance would be required?*

Standard liability coverage would be required. Worker's compensation insurance would be required in order to cover any drivers other than the single operator who lease the vehicle when the single operator is unavailable to drive. Comprehensive liability is recommended for at least the first year, but would not be required.

*What if the operator gets sick or injured or needs time off?*

A prolonged inability to work due to illness or injury is a substantial risk to a single operator, who would remain liable for vehicle and insurance expenses even though he or she is unable to work. The single operator would be allowed to lease the vehicle to another driver under the existing gate fee structure if the single operator can demonstrate a serious medical need, just as medallion holders today can have their driving requirement temporarily reduced or eliminated upon a showing of medical need. The driver might be required to carry disability insurance to protect against loss of driving income if the driver is unable to drive for an extended period of time. In addition, single operators would be allowed to request leave (during which time their vehicle could be leased to a secondary driver) for extended vacations.

### **Effects on the public:**

- The single operator would receive additional training in bike, traffic safety and customer service, for improved customer experience and safety.
- Dispatch response incentives will tend to improve response to dispatch requests.
- The single operator will be an experienced, knowledgeable driver who is more relaxed because he or she is not under pressure to cover all operating costs within the limits of a

single ten-hour shift.

**Effects on taxi drivers:**

- Single operators will have the opportunity to choose own working schedule and work from home, and can work the most profitable shifts.
- Single operators will receive additional training in financial planning.
- Single operators will not have to shift-change on company property or tip taxi company employees.
- A single operator can store his or her vehicle at home and will not have to share it with other drivers.
- A single operator could elect to terminate the permit at any time, sell the vehicle, cancel the insurance coverage and go back to a traditional driving arrangement.

**Effects on taxi companies:**

- Taxi companies will have additional resources to meet the dispatch demand of their customers, thus enhancing their brand, which will in turn encourage companies to take responsibility for customer service.

**Recommendation 4:**

The newly issued medallions and permits only be allowed to affiliate with color schemes that meet performance standards related to dispatch success, paratransit performance and vehicle maintenance. Objective measures for evaluating color scheme performance standards in order to recognize and support taxi color schemes and dispatch services that provide safe and reliable taxi service are under development.

**ALTERNATIVES CONSIDERED**

The Board could elect not to issue additional taxi medallions and part-time permits until such time as the San Francisco taxi supply and demand is more thoroughly studied. However, it is recommended that the SFMTA proceed with these pilot programs in order to learn from the experience and better inform the upcoming analysis of supply and demand for which staff is currently preparing a Request for Proposals. The issuance of a small number of regular medallions is recommended in order to increase taxi service levels and to alleviate the anxiety of taxi drivers high on the medallion waiting list who have been waiting for a medallion for 15 years.

**FUNDING IMPACT**

If dispatch incentives are successful, single operator permits would generate no new revenue. If dispatch incentives are not successful, single operator permits would generate an additional \$240,000 per year over three years. The sale of ten medallions pursuant to the Taxi Medallion Sales Pilot Program would generate an additional \$2,375,000 during fiscal year 2011-2012.

**PUBLIC NOTIFICATION**

Pursuant to Sections 1115 of the Transportation Code, the SFMTA is required to post public notice 30 days prior to any hearing to determine whether to new issue taxi medallion (permits). The SFMTA posted this notice to the SFMTA website's Board meeting agenda listings.

**OTHER APPROVALS RECEIVED OR STILL REQUIRED**

The proposed modifications to the Transportation Code are subject to environmental review under the

California Environmental Quality Act (CEQA). The Department of City Planning has determined that taxi fare increases are statutorily exempt from environmental review under California Public Resources Code section 21080(b)(8) and CEQA implementing guidelines, Title 14 of the California Code of Regulations section 15273.

The City Attorney has reviewed this report.

**RECOMMENDATION**

The SFMTA Board amends Transportation Code, Division II, Article 1100 to reflect the issuance of 50 new part-time single operator permits, 35 new full-time taxi medallion permits, and two full-time, temporary electric taxi vehicle permits.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, Taxi service is considered unreliable by residents of San Francisco, who have expressed the difficulty in accessing taxis particularly during peak times (with Friday and Saturday nights 4:30 p.m. until 3:30 a.m.); and,

WHEREAS, There is currently not enough business for taxi drivers who work during the day to make sufficient income; and,

WHEREAS, A part-time permit leased to individual drivers based on experience and merit, and including financial incentives to respond to dispatch service requests would improve the reliability of taxi service in San Francisco; and,

WHEREAS, Part-time “single operator” permits represent a new type of taxi driver work opportunity involving independence and choice of work schedule for experienced San Francisco taxi drivers; and,

WHEREAS, The lease between SFMTA and the “single operator” will establish detailed written permit conditions; and,

WHEREAS, Two temporary full-time permits are required for the operation of two battery switch electric vehicles expected to be available in 2012 pursuant to the Metropolitan Transportation Commission grant for electric taxi vehicles in San Francisco; and,

WHEREAS, The Taxi Advisory Council has identified the slow movement of the top of the medallion waiting list as one of the primary problems faced by San Francisco taxi drivers; and,

WHEREAS, SFMTA is authorized under that Pilot Program to sell up to 30 additional SFMTA-held medallions; and,

WHEREAS, SFMTA is issuing a Request for Proposals for a public convenience and necessity study; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Executive Director/CEO to issue 35 full-time medallions, 25 of which shall be issued to the taxi medallion waiting list and ten of which shall be sold by the SFMTA pursuant to the Taxi Medallion Sales Pilot Program; and, be it further

RESOLVED, That the Executive Director/CEO shall require, as a condition of each of the 35 permits, that the medallion be operated as a gas and gates medallion for the first three years of ownership, and shall be operated with a hybrid, electric or compressed natural gas vehicle, except that if a vehicle costs more than \$25,000, other fuel choices may be authorized by SFMTA; and, be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Executive Director/CEO to issue to color scheme permit holders selected by SFTMA Taxi Services, two full-time, temporary medallions for the operation of two battery switch electric

vehicles pursuant to the Metropolitan Transportation Commission grant for electric taxi vehicles in San Francisco; and, be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Executive Director/CEO to issue up to 50 part-time single-operator permits to be leased to individual drivers based on experience and merit and including financial incentives to respond to dispatch service requests, with detailed permit conditions to be established in the lease and, be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors amends Transportation Code, Division II, Article 1100 to reflect the issuance of 50 new part-time single operator permits, 35 new full-time taxi medallion permits, and two full-time, temporary electric taxi vehicle permits.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of \_\_\_\_\_.

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Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency



RESOLUTION NO.

[New Taxi Medallions]

**Resolution approving amendments to Sections 1101, 1102, 1103, 1104 1105, 1109 and 1116 of Article 1100 of Division II of the San Francisco Transportation Code to reflect the issuance of two new types of taxi medallions –single operator part-time taxi medallions and electric vehicle taxi medallions, to set the conditions under which SFMTA will issue those medallions, to establish the process for selecting taxi drivers who are eligible to receive single operator part-time taxi medallions, to require that the new types of taxi medallions and medallions other medallions sold or issued in the first instance after August 1, 2011 affiliate with color schemes certified as meeting standards to be set by SFMTA Taxi Services, and to include newly issued full-time medallions as part of the 60 medallions that the Executive Director/CEO is already authorized to sell under the Taxi Medallion Sales Pilot Program.**

NOTE: Additions are single-underline Times New Roman;  
deletions are ~~strike-through Times New Roman~~.

The Municipal Transportation Agency Board of Directors of the City and County of San Francisco enacts the following regulations:

Section 1. Article 1100 of Division II of the Transportation Code is hereby amended by amending Sections 1101, 1102, 1103, 1104, 1105, 1109 and 1116, to read as follows:

**SEC. 1101. SCOPE AND PURPOSE OF REGULATIONS.**

(a) Scope of Regulations.

(1) Classes of Permits. This Article shall apply to the following classes of permits issued by the SFMTA:

(A) Permits issued to a person:

(i) Driver Permits.

(B) Permits issued to a person for use with an identified vehicle or vehicle(s):

(i) ~~Taxi/Ramp~~ Ramp Taxi Medallions and Taxi Medallions,  
including Single Operator Part-time Taxi Medallions and Electric Vehicle Taxi Medallions.

(ii) Non-Standard Vehicle Permits.

(C) Permits issued to a business that affiliates with permitted vehicles:

(i) Color Scheme Permits.

(ii) Dispatch Service Permits.

(2) Exclusion for Certain Vehicles. This Article shall not apply to the operation of a motor vehicle:

(A) Engaged in the business of, or used for, transporting passengers for hire when such motor vehicle is operated under and by authority of public convenience and necessity issued by the Public Utilities Commission of the State of California (CPUC) to the extent that the commercial operation of such a Motor Vehicle for Hire is entirely within the scope of such certificate;

(B) Licensed by any city, city and county, county or other public entity as a motor vehicle for hire which may enter the City and County of San Francisco for the purpose of delivering passengers who have hired the vehicle in a jurisdiction in which it is licensed to operate, provided, however, that no such motor vehicle for hire may solicit or accept any passenger while in the City;

(C) That is regularly operated by a business to transport employees;

(D) Operated as a private ambulance and regulated by Article 14 of the San Francisco Health Code; or

(E) Operating on fixed tracks or rails.

(3) Application of Regulations to Permit Holder Conduct. This Article applies to the conduct of Permit Holders at all times while engaged in activity related to the permit.

(b) Purpose of Regulations; Limitation of Liability. It is the purpose of this Article to require all persons, businesses or corporations holding permits issued pursuant to this Article to take steps to improve taxi service to the public and to protect the public health and safety when providing such service. By adopting this Article, the SFMTA is assuming an undertaking to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which it is liable in money damages to any person who claims that such breach proximately caused injury.

(c) Notice of Regulations. The SFMTA shall offer a copy of this Article to each person who is applying for or renewing a permit at the time of application or renewal.

(d) Incompatible Activities. No permit governed by this Article may be issued to an employee of the SFMTA except with the prior written approval of the Director of Transportation.

(e) Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Article or any part thereof, is for any reason held to be invalid or ineffective, such decision shall not affect the validity or effectiveness of the remaining portions of this Article or any part thereof. The SFMTA Board hereby declares that it would have adopted and promulgated each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared invalid or ineffective.

## **SEC. 1102. DEFINITIONS.**

For purposes of this Article the following words and phrases shall have the meanings set forth below:

(a) "A-Card" or "Driver Permit" shall mean a permit issued by the SFMTA to operate a Taxi or Ramp Taxi in the City.

(b) "A-Card Seniority" shall mean the seniority status of each Driver Permit Holder based on the original issuance date of the Driver Permit, or the issuance date of the most recent Driver Permit if the Driver has been issued a new Driver Permit in accordance with Section 1108(b)(5) after failure to timely renew his or her Driver Permit.

(c) "Administrative Probation" shall mean the status of being substantially out of compliance with this Article according to a written determination of Administrative Probation issued by the SFMTA.

(d) "Citation" shall mean a notice informing a member of the public that he or she has violated any statute, ordinance or regulation governing the operation or licensing of Motor Vehicles for Hire.

(e) "Color Scheme" shall mean either the design or trade dress of a vehicle used as a Taxi or Ramp Taxi that is distinct to the fleet of a Color Scheme business that provides taxi service, or a business that provides taxi-related services to affiliated Drivers and Medallion Holders, including any owner, manager, employee, lessee and any agent of such business.

(f) "Color Scheme Permit" shall mean a permit issued by the SFMTA, to operate a Color Scheme in the City.

(g) "Controlled Substance Testing Program" shall mean a program adopted by the SFMTA Board to comply with California Government Code § 53075.5.

(h) "Dispatch Service" shall mean any person, business, firm, partnership, association or corporation that receives communications from the public regarding taxi service for the purpose of forwarding such communications to motor vehicle for hire drivers, and shall include any owner, manager, employee, lessee and any agent of said service. "Dispatch Service" shall not include any service through which the public is able to communicate directly with Drivers, and shall not include any effort on the part of a Driver to market his or her services to the public.

(i) "Dispatch Service Permit" shall mean a permit issued by the SFMTA to operate a Dispatch Service in the City.

(j) "Driver" shall mean either a person who holds a Driver Permit issued by the SFMTA to operate a Motor Vehicle for Hire or a person engaged in the mechanical operation and having physical charge or custody of a Motor Vehicle for Hire while said Motor Vehicle for Hire is available for hire or is actually hired.

(k) "Driver Fund Transfer Fee" shall mean five percent of the fixed price for the sale of a Medallion as determined in accordance with this Article.

(l) "Driver Permit" or "A-Card" shall mean a permit issued by the SFMTA to operate a Taxi or Ramp Taxi.

(m) "Driver Roster" shall mean a daily shift schedule listing the shift assignment, Driver's name, Vehicle Number and Medallion number, if different, and the hours worked for that shift.

(n) "Electric Vehicle Taxi Medallion" shall mean a permit issued by the SFMTA to a qualifying Color Scheme to operate a particular battery-switch electric vehicle on a full-time basis, subject to conditions imposed by the SFMTA Taxi Services, for a fixed term of three to five years.

(o) "Filing Fee" shall mean a fee in an amount established by the SFMTA Board, due upon application for a permit, and including any late payment penalties or interest for failure to pay in accordance with the requirements of this Article of any other regulation adopted by the SFMTA Board.

(p) "Found Property" shall mean any personal property found in or about a Motor Vehicle for Hire by a Driver or delivered to a Driver, Color Scheme or Dispatch Service by any person who has found such property.

(q) "Full-Time Driver" or "Full-Time Driving" shall mean any Driver actually engaged in, or the activity comprised of (respectively) the mechanical operation and

physical charge and custody of a Taxi or Ramp Taxi which is available for hire or actually hired for at least 156 four-hour shifts or 800 hours during a calendar year.

(~~r~~q) "Gas and Gates Medallion" shall mean a Medallion that is operated by a Color Scheme that owns the Taxi or Ramp Taxi vehicle, schedules the Drivers of the vehicle, and makes regular payments to the Medallion Holder in consideration for the use of the Medallion.

(~~s~~f) "Gate Fee" shall mean any monetary fee or other charge or consideration, or any combination thereof, paid by a Driver who is not a Taxi or Ramp Taxi Medallion Holder for the privilege of driving a Taxi or Ramp Taxi for any period of time, and for receipt of all services provided in connection with such privilege, whether said fee, charge or consideration is set orally or in writing, and regardless of the terms of payment.

(~~t~~s) "In-Taxi Equipment" shall mean hardware and software that enables the real-time processing of paratransit debit card transactions and consisting of, at a minimum, a Taximeter, magnetic swipe reader, user interface (display and function buttons), high speed receipt printer, GPS receiver, cellular modem and antennae (cellular and GPS).

(~~u~~t) "Key Personnel" shall mean a Taxi Permit Holder who works in an administrative capacity or performs functions integral to a Color Scheme or Dispatch Service, who is a bona fide employee on the payroll of the Color Scheme or Dispatch Service and who works on-site at the Color Scheme's or Dispatch Service's principal place of business.

(~~v~~tt) "Lease" shall mean an otherwise lawful written agreement that for consideration authorizes the temporary operation of a Taxi or Ramp Taxi Medallion by a Driver or Color Scheme other than the Taxi or Ramp Taxi Medallion Holder.

(~~w~~v) "Lease Fee" shall mean any monetary fee or other charge or consideration, or any combination thereof, charged by or paid to a Taxi or Ramp Taxi Medallion Holder for the privilege of operating that Medallion during a particular shift, or for any period of time.

(~~xw~~) "Medallion" shall mean a permit issued by the SFMTA to operate a particular Taxi or Ramp Taxi vehicle in the City.

(~~y\*~~) "Medallion Holder" shall mean the person or entity to which a Medallion was issued.

(~~zy~~) "Medallion Sale Price" shall mean the fixed price for the sale of a Medallion as determined by the SFMTA in accordance with this Article.

(~~aa\*~~) "Medallion Sale Transfer Fee" shall mean fifteen percent of the fixed price for the sale of a Medallion as determined by the SFMTA in accordance with this Article.

(~~bb\*\*~~) "Motor Vehicle for Hire" shall mean every type of privately owned motor vehicle, as defined in the Vehicle Code, which is available for hire and over which the City may exercise jurisdiction, except as otherwise specified in this Article.

(~~cc\*\*~~) "Motor Vehicle for Hire Permit" shall mean a permit issued by the SFMTA for the operation of an identified vehicle for the purpose of transporting passengers for a price, including Taxi or Ramp Taxi Medallions and Non-Standard Vehicle permits, and does not include Dispatch Service, Color Scheme or Driver Permits.

(~~de~~) "Model Year" shall mean the year model designated at the time of manufacture of first assembly as a completed vehicle (e.g. If a vehicle is produced in 2007, but is designated for sale as a 2008 model, then the vehicle is considered a 2008 Model Year.)

(~~ee\*\*~~) "Non-Standard Vehicle" shall mean a privately owned, motor-propelled passenger carrying vehicle which may be legally operated on the streets of the City under all applicable state and local laws and regulations, and which is not defined elsewhere in this Article.

(~~ff~~) "Notice of Denial" shall mean a notice informing an applicant for a permit that the SFMTA has decided to deny the application for the permit under Section 1117 of this Article.

(~~ggff~~) "Notice of Grant" shall mean a notice informing an applicant for a permit that the SFMTA has decided to grant the application for the permit under Section 1117 of this Article.

(~~hhgg~~) "Notice of Inactive Status" shall mean a notice informing an applicant for a permit that the SFMTA has determined that the application is inactive under Section 1103(b) of this Article.

(~~ihhh~~) "Notice of Nonrenewal" shall mean a notice informing a Permit Holder that the SFMTA has determined that the permit will not be renewed in accordance with Section 1105(a)(5)(B) of this Article.

(~~jjii~~) "Notice of Summary Suspension" shall mean a notice informing a Permit Holder that the SFMTA has decided to summarily suspend the permit in accordance with Section 1119 of this Article.

(~~kkjj~~) "Notice of Violation" shall mean a notice informing a Permit Holder that the SFMTA has determined that the Permit holder has violated a statute, ordinance or regulation governing the operation or licensing of the vehicles and services regulated by this Code.

(~~llkk~~) "O.E.M." shall mean any equipment installed on a vehicle when the vehicle was initially manufactured.

(~~mmii~~) "Paratransit Broker" shall mean the contractor retained by SFMTA to administer the Paratransit Program.

(~~nnmm~~) "Paratransit Coordinating Council" shall mean the Community Advisory Committee which advises the SFMTA regarding paratransit services.

(~~oonn~~) "Paratransit Program" shall mean the SFMTA Program to provide transit services for people unable to independently use public transit because of a disability or disabling health condition.

(~~pp~~) "Participating Color Scheme" shall mean a Color Scheme that has entered into an agreement with the SFMTA for the operation of Medallions that are sold and purchased in accordance with Section 1116(p) of this Article.

(~~qq~~) "Permit Fee" shall mean a fee in an amount established by the SFMTA Board, required to be paid by a permit applicant for permit issuance or renewal, including any late payment penalties or interest for failure to pay in accordance with the requirements of this Article and any other regulations adopted by the SFMTA Board.

(~~rr~~) "Permit Holder" shall mean any person, business, firm, partnership, association or corporation which holds any permit issued by or under the authority of the SFMTA to drive, operate or cause to be operated any Motor Vehicle for Hire or to operate any Dispatch Service or Color Scheme pursuant to this Article, and any agent of such Permit Holder including, but not limited to, any owner, manager, employee or lessee of such Permit Holder.

(~~ss~~) "Police Department" shall mean the Police Department of the City and County of San Francisco.

(~~tt~~) "Qualified Lender" shall mean a lender approved by the Director of Transportation to finance the purchase of Medallions under the Taxi Medallion Sales Pilot Program.

(~~uu~~) "Qualified Purchaser" shall mean a Driver Permit Holder who meets all the requirements for purchase of a Medallion under Section 1116(a)(2).

(~~vv~~) "Qualified Seller" shall mean a Medallion Holder who meets the requirements of Section 1116(a)(1).

(~~ww~~) "Ramp Taxi" shall mean a Taxi that is specially adapted with access for wheelchair users.

(~~xx~~) "Ramp Taxi Medallion" shall mean a permit issued by the SFMTA to operate a particular Taxi vehicle that is specially adapted with access for wheelchair users.

(~~yyxx~~) "Ramp Taxi Program" shall mean the SFMTA program that oversees the delivery of transportation services to individuals whose disabilities require the use of vehicles equipped with a ramp.

(~~zzyy~~) "Rates of Fare" shall mean the fees and charges that are authorized by the SFMTA Board that may be charged to the public by a Permit Holder in consideration for transport by a Motor Vehicle for Hire.

(~~aaaaz~~) "Respondent" shall mean a person or entity to which a Notice of Violation, Notice of Nonrenewal, Notice of Inactive Status, Notice of Summary Suspension, or a Citation is delivered under Sections 1118, 1119, 1120 or 1123.

(~~bbbaaa~~) "Response Time Goals" shall mean the measure of industry performance expressed by the time elapsed between the time a Dispatch Service receives a request for service to the time that a Taxi or Ramp Taxi actually arrives at the location specified by the customer for pick up. The currently applicable Response Time Goals are as follows:

- (1) 70% of the time, a Taxi or Ramp Taxi will arrive within 10 minutes of the service call.
- (2) 80% of the time, a Taxi or Ramp Taxi will arrive within 15 minutes of the service call.
- (3) 99% of the time, a Taxi or Ramp Taxi will arrive within 30 minutes of the service call.

(~~ccc~~) "Single Operator Part-time Taxi Medallion" shall mean a permit issued by the SFMTA to a Driver or to two Drivers, who will be selected by SFMTA Taxi Services on the basis of A-Card Seniority and merit, to operate a particular hybrid, CNG or electric Taxi vehicle, or other vehicle as authorized by the SFMTA, for a fixed period of years on a part-time basis, and in accordance with permit conditions set by SFMTA Taxi Services.

(~~dddbbb~~) "SFMTA" shall mean the San Francisco Municipal Transportation Agency of the City, or any predecessor agency with regulatory jurisdiction over Motor Vehicles for Hire, or its authorized designee.

(~~eeeeee~~) "Taxi" shall mean a vehicle operated pursuant to a ~~Taxi or Ramp Taxi~~ Medallion that is legally authorized to pick up passengers within the City with or without prearrangement, of a distinctive color or colors and which is operated at rates per mile or upon a waiting-time basis, or both, as measured by a Taximeter and which is used for the transportation of passengers for hire over and along the public streets, not over a defined route but, as to the route and destination, in accordance with and under the direction of the passenger or person hiring such vehicle.

(~~fffd~~) "Taxi Medallion Sales Pilot Program" shall mean the program adopted by the SFMTA Board of Directors for the purchase and sale of certain Taxi Medallions at an established Medallion Sale Price to a purchaser who is qualified to hold a Medallion under these regulations.

(~~gggeee~~) "Taximeter" shall mean a device attached to a Motor Vehicle for Hire which mechanically or electronically calculates the fare to be charged to the passenger, either on the basis of distance traveled or for waiting time, or a combination thereof, and upon which the amount of the fare is indicated by means of numerals in dollars and cents.

(~~hhff~~) "Vehicle Number" shall mean the unique identifying number associated with each Taxi or Ramp Taxi vehicle.

(~~iiiggg~~) "Waiting List" shall mean a list of applicants for Taxi or Ramp Taxi Medallions for whom such Medallions are not yet available, maintained in the order of receipt of complete applications from qualified applicants.

### **SEC. 1103. PERMIT APPLICATIONS.**

(a) Application Forms. Application for any permit issued pursuant to this Article shall be made to the SFMTA on a form provided by the SFMTA. The applicant shall provide such information and documents as the SFMTA requires, which may include a physical examination, a practical examination and/or background check of the applicant. The SFMTA

shall record the date and time that a complete application, including the Filing Fee, is received.

(b) Applications Deemed Active. Every application for a permit shall be deemed to remain active and shall be considered until the earliest of the following events:

- (1) The applicant withdraws the application in writing;
- (2) The applicant is determined to be ineligible for the permit by the SFMTA;
- (3) The applicant receives a permit;
- (4) The SFMTA determines that the applicant has engaged in fraud, misrepresentation or other serious misconduct in connection with the permit application process; or

(5) The SFMTA attempts to contact the applicant at the mailing address listed on the application on at least two separate occasions and the applicant fails to respond within 30 days of the second notice.

(6) The SFMTA has offered a Medallion for purchase to the applicant, and the applicant fails to complete the purchase of the Medallion within the deadlines established by the Director of Transportation pursuant to Section [1116\(f\)\(3\)](#). Failure to complete the purchase of the Medallion within the applicable deadlines will have no effect upon the applicant's A-Card seniority or the applicant's position on the Waiting List of Medallion applications.

(c) Additional Requirements Applicable to Driver Permit Applications.

(1) Application Requirements. In addition to complying with all applicable requirements of this Section, each applicant for a Driver Permit shall:

- (A) Provide his or her fingerprints; and
- (B) Take and pass a written examination; and

(C) Take and pass a physical examination if required by the SFMTA;  
and

(D) Certify that the applicant has successfully completed an SFMTA-  
approved Driver training course; and

(E) Provide photographs of the applicant, taken no more than 12  
months prior to the time of application; and

(F) Enclose a statement of affiliation signed by the applicant and the  
Color Scheme documenting the Color Scheme's commitment to offer the applicant a  
position as a Driver if the Driver Permit is issued; and

(G) Reserved: Controlled Substance Testing Program.

(2) Driver Qualifications. Each applicant for a Driver's Permit must:

(A) Be a legal resident of the United States;

(B) Be clean in dress and person;

(C) Be free of any disease, condition, infirmity, or addiction that  
might render the applicant unable to safely operate a motor vehicle or that otherwise poses  
a risk to public health and safety;

(D) Have held a valid California driver's license for one year  
immediately prior to the date of application;

(E) Have the physical capacity to operate a motor vehicle for at least  
four hours per day;

(F) Have no prior convictions of a crime that would, in the judgment  
of the SFMTA, present a risk to public safety if the permit is granted, including but not limited  
to convictions involving sexual assault, the use of a vehicle in the commission of a felony,  
fraud, violence against a person, reckless disregard for public safety, two or more recent  
convictions of drug-related offenses, or two or more recent convictions of driving under the  
influence, whether or not such convictions occurred while driving a Motor Vehicle for Hire.

The SFMTA may, in its discretion, issue a permit notwithstanding prior convictions if, following review of an individual case, it determines that the applicant or Permit Holder does not pose a current risk to public safety;

- (G) Have attained the age of 21;
- (H) Speak; read and write the English language;
- (I) Reserved: Controlled Substance Testing Program.

(d) Additional Requirements Applicable to Taxi and Ramp Taxi Medallion Applications.

(1) Waiting List. In the absence of any other preference specified in this Article, and with the exception of applicants for a Single Operator Part-time Taxi Medallions, applicants for a Medallion shall be processed and considered by the SFMTA in the order of receipt of the Waiting List application, and then in order of A-Card Seniority. The SFMTA shall maintain a Waiting List of Medallion applications arranged in chronological order by the date that each complete Medallion application, including Filing Fees, was received from a qualified applicant. Each applicant for a Taxi or Ramp Taxi Medallion shall have held a valid Driver Permit for a minimum of two consecutive years prior to applying for a Medallion.

(A) Every applicant for a Taxi or Ramp Taxi Medallion must continuously maintain a valid Driver Permit in order to maintain his or her position on the Waiting List.

(B) The SFMTA may periodically require applicants to execute written statements to reaffirm their desire to keep their applications active.

(C) As of December 16, 2009, the SFMTA shall no longer accept applications for the Waiting List. When there are no more qualified applicants on the Waiting List, the SFMTA shall offer Medallions to Driver Permit Holders who meet all other requirements of this Article in order of A-Card Seniority.

(e) Requirements Applicable to Single Operator Part-time Taxi Medallion Applications.

The SFMTA shall offer Medallions to Driver Permit Holders who meet all other requirements of this Article in order of A-Card Seniority, subject to the applicant receiving a passing score on an examination to be developed and administered by SFMTA Taxi Services and designed to ensure that holders of Single Operator Part-time Taxi Medallions have sufficient knowledge of San Francisco's streets, neighborhoods, traffic conditions and taxi industry to provide a high level of service to San Francisco's taxi patrons.

(fe) Additional Requirements Applicable to Non-Standard Vehicle Permit Applications.

(1) An applicant may request a Non-Standard Vehicle class of permit for any vehicle(s) not otherwise included within another class of Motor Vehicle for Hire permits.

(2) If a Non-Standard Vehicle permit applicant proposes to operate along fixed routes within the City, such fixed routes shall be specified in the permit application. Fixed routes proposed for a permit must be approved by the SFMTA and shall be included in the Non-Standard Vehicle permit as a permit condition. Consideration of such routes by the SFMTA shall include evaluation of their impact on public transit.

(gf) Additional Requirements Applicable To Dispatch Service Permit Applications. Reserved.

(hg) Additional Requirements Applicable To Color Scheme Permit Applications. Reserved.

#### **SEC. 1104. ELIGIBILITY.**

(a) Determination of Eligibility. Each application shall be investigated by the SFMTA to determine the applicant's eligibility pursuant to the factors listed herein. The SFMTA, in determining whether the permit should be granted, may consider such facts as it deems pertinent, but shall at least consider the following factors:

(1) The applicant's financial responsibility and ability to comply with all insurance requirements and to maintain proper financial records.

(2) The applicant's compliance with all applicable statutes, ordinances and regulations. If, during the five years prior to application, an applicant has violated any statute, ordinance or regulation which would be a basis for revocation of the permit, the SFMTA may, in its discretion, refuse to issue the permit.

(3) The record of the applicant for the preceding five years with regard to any other permits issued for the commercial operation of a motor vehicle for the transport of passengers, either in the City or elsewhere.

(4) Any prior convictions of a crime that would, in the judgment of the SFMTA, present a risk to public safety if a permit is granted or renewed, including but not limited to convictions involving sexual assault, the use of a vehicle in the commission of a felony, fraud, violence against a person, reckless disregard for public safety, two or more recent convictions of drug-related offenses, or two or more recent convictions of driving under the influence, whether or not such convictions occurred while driving a Motor Vehicle for Hire. The SFMTA may, in its discretion, issue a permit notwithstanding prior convictions if, following review of an individual case, it determines that the applicant or Permit Holder does not pose a current risk to public safety.

(b) Burden of Proof on Applicant. A permit applicant shall have the burden of proving that the applicant meets all requirements for a permit.

(c) Eligibility for a Medallion.

(1) Applicants for a Taxi or Ramp Taxi Medallion must meet the eligibility requirements listed in Section [1103\(c\)\(2\)\(A\)](#) through [1103\(c\)\(2\)\(H\)](#) and be in compliance with any Controlled Substance Testing Program adopted by the SFMTA Board.

(2) Each applicant for a Taxi or Ramp Taxi Medallion shall submit all completed application materials, including Waybills and forms, and take any written, oral or

practical examination required by the SFMTA within 45 calendar days of the date of the notice informing the applicant of the availability of a Medallion.

(3) Before issuing a Taxi or Ramp Medallion, in addition to all other eligibility requirements, the SFMTA must determine that the applicant has been a Full-Time Driver during four of five consecutive calendar years. At the applicant's election, the five years that the SFMTA considers may be either the five full calendar years immediately preceding the hearing, or the four full calendar years immediately preceding the hearing and the partial calendar year in which the hearing is held. The Full-Time Driving requirement for the year in which the application is heard may not be pro-rated for the purpose of determining whether to grant the application. This requirement of Full-time Driving for four of five consecutive years may only be satisfied by driving a Taxi or Ramp Taxi for which a permit has been issued by the SFMTA. Written Waybills completed in compliance with Section [1109](#)(c)(5), or other corroborating documentary evidence, may be used to establish eligibility for a Medallion for the purposes of this Section.

(4) No applicant for a Taxi or Ramp Taxi Medallion shall be eligible to receive a Medallion if he or she holds a Medallion as an individual or if he or she is a shareholder in a corporation that holds one or more Medallions.

(d) Eligibility for a Ramp Medallion. The SFMTA shall not issue a Ramp Taxi Medallion to an applicant unless the applicant provides written documentation of the following requirements:

(1) The applicant has been a Full-Time Driver of a Ramp Taxi during the 12 months immediately preceding the applicant's submittal of completed application materials pursuant to Section [1104](#)(c)(2).

(2) The applicant has completed at least 156 wheelchair pickups in the City as a Ramp Taxi Driver during the 12 months immediately preceding the permit hearing.

(3) The applicant has satisfactorily completed training for operation of a Ramp Taxi in compliance with SFMTA requirements.

(4) The applicant has been interviewed through a process approved by the Paratransit Coordinating Council.

(5) SFMTA certification of satisfactory aptitude and attitude necessary for a Ramp Taxi Medallion Holder.

(6) The applicant is affiliated with a Color Scheme in compliance with, and agrees to operate said permit at all times subject to, the regulations of the SFMTA's Paratransit Program.

(e) Eligibility for a Single Operator Part-time Taxi Medallion.

The applicant must receive a passing score on a test administered by SFMTA Taxi Services in accordance with Section 1103(e).

**SEC. 1105. GENERAL PERMIT CONDITIONS.**

(a) Conditions Applicable to All Permits.

(1) Permits Required. No person, business, firm, partnership, association or corporation shall drive, or operate or cause to be operated any Motor Vehicle For Hire within the City, nor shall any person, business, firm, partnership, association or corporation operate any Dispatch Service or Color Scheme, without a permit issued by the SFMTA authorizing such driving or operation in accordance with this Article.

(2) Permits Held By Businesses; Taxi Medallions Held by Individuals.

(A) Any permit issued to a business pursuant to this Article shall be registered in the name of and with contact information for at least one natural person who complies with all permit requirements except those that by their nature can have no application to a natural person.

(B) No Taxi or Ramp Taxi Medallion, except an Electric Vehicle Taxi Medallion, shall be issued except to a natural person and in no case to any business, firm, partnership, association or corporation, and no Medallion, except a Single Operator Part-time Taxi Medallion, shall be issued to, or in the name of, more than one person.

(3) Permits a Privilege. Permits granted pursuant to this Article constitute a privilege and are not the property of the Permit Holder.

(4) Permits Not Transferable. Except as expressly provided in this Article or in permit conditions, no permit issued pursuant to this Article shall be transferable or assignable, either expressly or by operation of law.

(5) Duration of Permits.

(A) Unless earlier revoked or suspended, ~~Taxi and Ramp Taxi~~ Medallions shall expire on the first day of July next following their issuance or renewal, and all other permits shall expire the first day of January next following their issuance or renewal.

(B) As a condition of renewal, a Permit Holder must meet the eligibility requirements required for new applicants listed in Section 1104, and may be required to sign a statement under penalty of perjury affirming eligibility for the permit.

(6) Compliance with Laws and Regulations. Every Permit Holder shall comply with, and shall ensure that their affiliated vehicles, employees, Permit Holders, lessees, Dispatch Service and Color Scheme shall comply with the provisions of this Article, the San Francisco Charter and Municipal Code, the California Vehicle Code, California Worker's Compensation laws, the Americans with Disabilities Act, and all regulations adopted by the Oakland and San Francisco International Airports, San Francisco Department of Public Health, and any other governmental jurisdictions through which the Permit Holders traverse.

(7) Cooperation with Lawful Orders. Every Permit Holder shall cooperate with and obey any lawful request or order of a Parking Control Officer, peace officer or the

Director, or his or her designee, at all times, including, but not limited to, providing upon request the Permit Holder's name, the permit number, official identification, and any documents required by this Article to be in the Permit Holder's possession. All Permit Holders shall respond to routine SFMTA or Police Department inquiries within 24 hours, and shall immediately respond to any SFMTA or Police Department emergency request.

(8) Cooperation with Regulatory Agencies; False Statements. Every Permit Holder shall at all times, fully cooperate with a Parking Control Officer, Peace Officer or the Director, or his or her designee, on all matters relating to regulatory compliance at all times, including but not limited to compliance with requests for the inspection of records. Permit Holders shall not hinder, delay or knowingly make false or misleading statements to a peace officer or to the SFMTA or withhold information on any matter relating to regulatory compliance. No Permit Holder shall make any false claim or false request for payment or approval to the SFMTA, its contractors or employees.

(9) Continuous Operation Requirement; Temporary Suspension; Revocation.

(A) With the exception of Non-Standard Vehicle Permit Holders, ~~and~~ Medallion Holders who obtained their Medallion prior to June 6, 1978, and holders of Single Operator Part-time Taxi Medallions, all Permit Holders shall operate or arrange for the operation of their permit on each day of the year, or other dates or times during which the permit conditions require operation of the permit. Non-Standard Vehicle Permit operation shall be in accordance with the times and dates of required operation specified in the permit.

(B) Permit Holders may temporarily suspend permit operations only with the prior written approval of the SFMTA. SFMTA approval is not required in the case of bona fide emergencies, natural disasters or other similar major events beyond the control of the Permit Holder.

(C) Upon written request the SFMTA may grant permission to suspend a permit for good cause shown for a period not to exceed 90 days in a 12 month period. The SFMTA may, in its sole and absolute discretion, allow another Permit Holder to operate the permit during the period of temporary suspension if the other Permit Holder is qualified and such operation would be in the public interest. This subparagraph (C) does not suspend the application of the Full-Time Driving requirement.

(D) If a permit is not operated for a period of 15 calendar days in violation of applicable permit conditions, the SFMTA shall notify the Permit Holder that the permit will be revoked if operation of the permit is not resumed within five calendar days of the notice. If permit operation is not resumed within five days of the notice, as determined by the Permit Holder's substantial compliance with all permit conditions, then SFMTA may immediately revoke the permit.

(E) This subsection (9)(E) does not apply to Driver Permits.

(10) Gifts and Gratuities. No Permit Holder or agent of a Permit Holder may accept or solicit gifts and/or gratuities or anything of value from any Driver, other than Gate Fees, Lease Fees, payments for goods actually received, or other payments authorized by this Article. A Permit Holder or agent of a Permit Holder shall issue a receipt for any payment received from a Driver.

(11) Lease of Taxi and Ramp Taxi Medallions. Reserved.

(12) Participation in Paratransit Program. Each Color Scheme, Dispatch Service, Medallion Holder and Driver meeting the qualifications established by the SFMTA must participate in and shall at all times operate subject to and in compliance with the regulations of the SFMTA's Paratransit Program.

(13) Shift Change at Color Scheme Required for All Vehicles; Unattended Vehicles. All Permit Holders shall ensure that taxi vehicles which they operate begin and end all shifts at the Color Scheme's place of business, except with the prior written approval

of the SFMTA. When a vehicle is not being operated for hire, the Permit Holder shall either leave the vehicle at the Color Scheme's place of business or make a written request for SFMTA approval of an alternative location that is off the public street and sidewalk. No Taxi vehicle may be left unattended on a public street for more than four hours.

(14) Current Address Required; Emergency Contact Notification. All Permit Holders shall keep contact information current with the SFMTA. All Medallion Holders and Drivers shall keep contact information current with their Color Schemes. Every natural person who holds a permit from the SFMTA pursuant to this Article shall give written notice to the SFMTA within ten days of any change of residence address, and shall accept mail at the address provided to the SFMTA. Color Scheme and Dispatch Service changes of address are subject to the prior written approval of the SFMTA. No Permit Holder may use a post office box as a current address.

(15) Service of Process. All Permit Holders agree to accept service of process, official notices, and correspondence ("service of process") from the SFMTA as a condition of retaining a permit. Color Schemes must accept service of process from the SFMTA on behalf of any Permit Holder affiliated with that Color Scheme.

(16) Payments Due. No permit shall be issued or renewed until the applicant has paid all fines, fees, taxes, liens, judgments or other debts owing to the City.

(17) Response Time Goals. All Permit Holders shall make best efforts to comply with Response Time Goals at all times.

## **SEC. 1109. CONDITIONS APPLICABLE TO TAXI AND RAMP TAXI MEDALLIONS.**

(a) Affiliation With Color Scheme Required; Color Scheme Change.

(1) A Medallion Holder shall be deemed affiliated with a particular Color Scheme when the SFMTA approves his or her application pursuant to this Article, and shall

entitle the Medallion Holder to the right to the use of that Color Scheme's trade dress and place of business. Color Schemes shall not unreasonably withhold the use of the trade dress and place of business once affiliation has been approved.

(2) Affiliation with a Color Scheme and/or the failure of a Color Scheme to comply with this Article does not relieve the Medallion Holder of his or her responsibility to comply with all requirements of this Article applicable to the Medallion Holder.

(3) A Medallion Holder may apply to the SFMTA for a change in affiliation. The applicant's choice of Color Scheme shall be subject to the prior approval of the SFMTA. A Medallion Holder's request for affiliation with a Color Scheme shall be approved unless the Color Scheme is on Administrative Probation pursuant to Section 1120(d). The SFMTA may delay or deny a change in Color Scheme affiliation by a Medallion Holder if a court of competent jurisdiction issues a temporary or permanent order to prohibit or delay the transfer.

(4) A Medallion Holder who purchases his or her Medallion in accordance with Section 1116~~subsection (e)~~ must affiliate with a Participating Color Scheme.

(5) A Medallion Holder who holds an Electric Vehicle Taxi Medallion, a Single Operator Part-time Taxi Medallion, a Medallion purchased after August 1, 2011, or a Medallion issued in the first instance after August 1, 2011 may affiliate only with a Color Scheme that SFMTA Taxi Services has certified meets performance standards, to be set by SFMTA Taxi Services, which shall include, but need not be limited to, standards for paratransit service, dispatch service, and vehicle maintenance.

(b) Use of Dispatch Service. All Medallion Holders affiliated with a Color Scheme must utilize the same Dispatch Service.

(c) Full-Time Driving Requirement.

(1) Every Medallion Holder subject to the provisions of this section 1109(c) shall be a Full-Time Driver.

(2) Exception for Certain Permits. Notwithstanding any contrary provision in this Article, the requirements set forth in this Subsection 1109(c) shall not apply to any person holding a Medallion issued on or before June 6, 1978, or to any person holding a Single Operator Part-time Taxi Medallion.

(3) Declaration Required. No permit to operate a Taxi or Ramp Taxi shall be granted unless the Medallion Holder shall declare under penalty of perjury that he or she will actively and personally continue to engage in Full-Time Driving.

(4) Qualifying Vehicle. All Medallion Holders must drive the Taxi or Ramp Taxi associated with their Medallion when complying with Subsection 1109(c) unless that vehicle is unavailable.

(5) Medallion Holders Responsible for Documenting Compliance. A Medallion Holder has the responsibility to maintain his or her own business records, including Waybills. Written Waybills or other corroborating documentary evidence completed in compliance with all requirements may be used to demonstrate compliance with the Full-Time Driving requirement. Failure of a Color Scheme to maintain business records, including Waybills, as required by this Article shall not excuse a Medallion Holder from proving that he or she has satisfied this Subsection 1109(c) or any other requirement.

(6) Partial Years. During the year that a Medallion is first issued or any year in which operation of the Medallion was temporarily suspended with the approval of the SFMTA in accordance with Section 1105(9), the number of driving hours required to meet the Full-Time Driving Requirement shall be reduced by the same proportion as the ratio of the Permit Holder's excused driving hours to the hours remaining in the calendar year.

(7) Exception for Color Scheme Key Personnel.

(A) Alternative Driving Requirement. Medallion Holders who are designated as "Key Personnel" by a Color Scheme may satisfy the Full-Time Driving

requirement by driving 120 hours per year and performing 1,500 hours of work per year as Key Personnel for the Color Scheme.

(B) Written Designation of Key Personnel. Each Color Scheme seeking to designate one or more of its employees for a calendar year pursuant to this Subsection 1109(c)(7) must file a written designation by December 1st of the preceding year. A Permit Holder may not be designated as Key Personnel by more than one Color Scheme during a calendar year. The SFMTA will only recognize as Key Personnel only those Medallion Holders named in a completed designation form filed by the Color Scheme as of December 1st.

(C) Number of Key Personnel Designated at a Color Scheme. Each Color Scheme will be entitled to designate Key Personnel in accordance with the number of Medallions affiliated with that Color Scheme. The number of Medallions affiliated with a particular Color Scheme for a calendar year shall be determined as of December 1st of the previous year, based on the records of the SFMTA. Only individuals already holding a Medallion by December 1 of that year may be considered for Key Personnel designation. The number of designated Key Personnel at a Color Scheme may not be increased or decreased during the subsequent calendar year even if the number of Medallions affiliated with that Color Scheme changes during the year.

A Color Scheme with 1 to 10 Medallions may not designate anyone as Key Personnel.

A Color Scheme with 11 to 20 Medallions may designate one person.

A Color Scheme with 21 to 40 Medallions may designate two people.

A Color Scheme with 41 to 60 Medallions may designate three people.

A Color Scheme with 61 to 80 Medallions may designate four people.

A Color Scheme with 81 to 100 Medallions may designate five people.

A Color Scheme with 101 to 150 Medallions may designate six people.

A Color Scheme with 151 to 200 Medallions may designate seven people.

A Color Scheme with 201 to 300 Medallions may designate eight people.

A Color Scheme with 301 to 400 Medallions may designate nine people.

A Color Scheme with over 400 Medallions may designate nine people, plus one additional person for every 100 Medallions over 400.

(D) Statement of Work by Key Personnel. No later than February 1st of each year, each Color Scheme that has designated one or more employees as Key Personnel must submit a written Statement of Work on a form provided by SFMTA, demonstrating the number of hours during the previous calendar year that each of its designated Key Personnel worked on tasks related to the business of the Color Scheme, including but not limited to, office duties, dispatching, cashiering, or performing management duties. The Statement of Work shall be signed under penalty of perjury by both the Color Scheme and the Medallion Holder designated as Key Personnel. The Color Scheme shall be responsible for submitting proof of employment with the Statement of Work, which shall consist of state or federal tax forms filed with the appropriate regulatory agency. A Medallion Holder and/or Color Scheme that submit a falsely sworn Statement of Work shall be subject to automatic revocation of his or her Permit.

(E) Partial Completion of Requirements. If a Medallion Holder performs at least 750 hours of work as designated Key Personnel for the a Color Scheme during the year but less than 1,500 hours, the Permit Holder shall be entitled to partial credit against the Full-Time Driving requirement on a pro rata basis. The credit shall correspond to the percentage of 1,500 hours that the designated Permit Holder worked for the company in such capacity. If a Permit Holder does not perform at least 750 hours of work as designated personnel for the Color Scheme during the year, the Permit Holder shall not be entitled to any credit against the Full-Time Driving requirement.

(F) Ramped Taxi Permit Holders Ineligible. Ramped Taxi Permit Holders are not eligible to be designated as Key Personnel.

(d) Corporate Medallion Holders.

(1) Permits Void in Event of Transfer or Sale of Permit Holder. Any Medallion held by a Permit Holder that is not a natural person shall be deemed null and void and revoked if any of the following circumstances has occurred since the issuance of the Medallion:

(A) If the Medallion Holder is or was sold or transferred at any time after June 6, 1978. For the purposes of this Section, a sale or transfer occurs upon a cumulative sale or transfer of either 10 percent or more of the stock or other ownership of the Medallion Holder, or 10 percent of the Permit Holder's assets since June 6, 1978, unless such sale or transfer has the prior written approval of the SFMTA.

(B) If the management or control of the Permit Holder is or has been transferred for consideration since the issuance of the permit;

(C) If the Medallion Holder's rights to receive income derived from the lease of a permit is assigned, transferred or sold.

(e) Additional Requirements Applicable To Ramp Taxi Medallions.

(1) Limitation on Acceptance of Other Permits. No person to whom a Ramp Taxi Medallion is issued may accept any other Medallion for a minimum of three years after receipt of the Ramp Taxi Medallion. If a Ramp Taxi Medallion Holder becomes eligible for a Taxi Medallion during his or her first three years as a Ramp Taxi Medallion Holder, and so long as the Ramp Taxi Medallion Holder remains otherwise qualified, the Ramp Taxi Medallion Holder's application shall be kept active and shall be considered for a Taxi Medallion before other qualified applications after the three year period has elapsed.

(2) Notice of Intent to Leave the Ramp Taxi Program.

(A) Upon completion of a minimum of 30 months as a Ramp Taxi Medallion Holder, the Permit Holder may elect to leave the Ramp Taxi program at any time by filing six months' advance written notice of the Permit Holder's intent to leave the program with the SFMTA ("Notice of Intent"). The date that the SFMTA receives the Notice of Intent shall be deemed the date of the Notice.

(B) Notice of Intent Effective Date; Qualification for New Permit. The Permit Holder's decision to leave the Ramp Taxi Program shall become effective six months after the Notice of Intent is filed. Except as provided by subsections (C) and (D) below, upon completion of the six month notice period, the Ramp Taxi Medallion shall expire by operation of law, and the Permit Holder shall no longer be precluded from accepting another Motor Vehicle for Hire Permit.

(C) If, at the completion of the six-month notice period, the Permit Holder is not yet eligible for a Taxi Medallion, or if no such Taxi Medallion is available, the Permit Holder may elect to remain in the Ramp Taxi program for any period of time until a Taxi Medallion becomes available.

(D) The Permit Holder's decision to leave the Ramp Taxi Program shall become inoperative if, prior to expiration of the of the six-month notice period, the Permit Holder files a statement of his or her decision to withdraw the Notice of Intent. The Permit Holder shall be required to file a subsequent Notice of Intent if he or she later decides to leave the Ramp Taxi Program. The same requirements governing the Permit Holder's initial Notice of Intent, including the full six-month notice period, shall apply to any subsequently filed Notice of Intent to leave the Ramp Taxi Program.

## **SEC. 1116. TAXI MEDALLION SALES PILOT PROGRAM.**

(a) Qualified Taxi Medallion Sellers.

(1) Any natural person who: (A) has attained or will attain the age of 70 as of December 31, 2010; or (B) has demonstrated to the satisfaction of the SFMTA that he or she has a bona fide disability that permanently prevents him or her from satisfying the Full-Time Driving requirement, and who, by May 14, 2010, has notified the SFMTA of his or her interest in participating in the Taxi Medallion Sales Pilot Program, is eligible to sell his or her Medallion in accordance with this Section. This Section does not confer on a Medallion Holder who meets the age or disability requirements of this Section a vested right to sell a Medallion. The SFMTA Board of Directors may decide at any time that the Taxi Medallion Sales Pilot Program is terminated, suspended or otherwise not operational, and that no further sales by Medallion Holders eligible under this Section are permitted. No Medallion Holder against whom a revocation proceeding is filed prior to completion of the sale of the Medallion is eligible to sell his or her Medallion under this Section unless and until the revocation proceeding and any resultant administrative appeal or court proceeding is concluded upon a determination that the Medallion will not be revoked.

(2) Any Purchaser of a Medallion under this Section is eligible to sell the Purchased Medallion in accordance with this Section. The Purchaser may not transfer ownership of the Medallion by gift, bequest or in any manner other than by a bona fide sale in accordance with this Section. A Medallion purchased under this Section shall expire upon the death or mental incompetence of the Medallion Holder, upon the foreclosure by a Qualified Lender under subsection [1116\(n\)](#), or upon revocation of the Medallion.

(3) In all instances in which sale of a Medallion is allowed under this Section, the SFMTA may elect to purchase the Medallion from the Qualified Seller or allow the Qualified Seller to offer the Medallion for sale to a Qualified Purchaser.

(4) If the SFMTA chooses at any time to prohibit the future transfer or assignment of Purchased Medallions, at the request of the Medallion Holder, and upon ten days' notice to a Qualified Lender who has a security interest in the Medallion, the SFMTA

will buy back, at the Purchase Price paid by the Medallion Holder, a Purchased Medallion that is no longer transferable or assignable. At the request of a Qualified Lender who has complied with the requirements of Section [1116\(m\)](#) of this Article, the SFMTA will deduct from the payment made to any Medallion Holder under Section [1116\(a\)\(4\)](#) an amount sufficient to satisfy any outstanding balance on a loan made by the Qualified Lender and secured by an interest in the Medallion, and shall immediately remit that amount to the Qualified Lender. Upon receipt of this amount, the Qualified Lender shall comply with Section [1116\(m\)\(3\)](#) and release its security interest in the Medallion. Upon purchase of the Medallion under this Section [1116\(a\)\(4\)](#), the SFMTA shall reissue the Medallion to the Medallion Holder. The reissued Medallion and the Medallion Holder will be subject to all the provisions of this Article, including Section [1105\(a\)\(4\)](#), which provides that permits issued under this Article are not transferable or assignable.

(5) Any Purchaser who receives a down payment loan from a Qualified Lender that is secured by funds from the Qualified Seller as required by written agreement with SFMTA must operate the purchased Medallion as a Gas and Gates Medallion until the Purchaser repays the entire amount of the down payment loan.

(b) Qualified Taxi Medallion Purchasers. The SFMTA shall authorize Medallion sales under the Pilot Program only to Driver Permit Holders who meet all eligibility requirements of this Article for Medallion ownership of this Article and who acknowledge and agree that the Medallion purchased is subject to the provisions of this Section. The SFMTA shall make offers of sale to such Qualified Purchasers in the order of seniority on the Waiting List, and then in the order of A-Card Seniority.

(c) Fixed Medallion Sale Price. Any Medallion sold pursuant to this Section shall be sold under the supervision of the SFMTA at a price established by the SFMTA. The initial Medallion Sale Price shall be established by the Director of Transportation after a public hearing and shall not exceed \$400,000. In setting the initial Medallion Sale Price, the

Director of Transportation shall consider the commercial loan terms available to Medallion applicants, the affordability of the monthly payments under such loans, the anticipated business revenue to be generated from a Medallion, and other commercially relevant factors. Upon setting the initial Medallion Sale Price, the Director of Transportation shall notify the SFMTA Board of Directors and the public of the Medallion Sale Price. The Director of Transportation may adjust the Medallion Sale Price no more frequently than annually in accordance with the percentage increase in the Consumer Price Index for Urban Wage Earners for the San Francisco Bay Area since the date that the Medallion Sale Price was last set or adjusted. The Director of Transportation may increase or decrease the Medallion Sale Price at any time in accordance with the procedure for setting the initial Medallion Sale Price, subject to the restrictions set forth in any agreement between the SFMTA and a Qualified Medallion Lender described in Section [1116\(1\)\(3\)](#).

(d) Medallion Transfer Fees.

(1) The seller of a Medallion shall pay to the SFMTA the Medallion Sale Transfer Fee and the Driver Fund Transfer Fee at the time of sale. The SFMTA shall deposit the Driver Fund Transfer Fee into the Driver Fund.

(2) Notwithstanding Subsection (4)(A), above, in the event that a Medallion purchaser is required to re-sell the Medallion within ten years due to any of the following involuntary surrender events: (1) revocation; (2) disability that prevents compliance with the full-time driving requirement, (3) death of the medallion holder; or, (4) foreclosure upon the medallion in the event of default of any outstanding loan against the Medallion, then the and Driver Fund Transfer Fee shall be waived and the Seller shall pay to the SFMTA the following Medallion Sale Transfer Fee at the time of sale:

Year of Involuntary Event	Percent of Medallion Sale Transfer Fee Due Upon Involuntary Surrender	Percent of Medallion Sales Price
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Year of Involuntary Event	Percent of Medallion Sale Transfer Fee Due Upon Involuntary Surrender	Percent of Medallion Sales Price
1	10%	0.00%
2	5%	0.75%
3	10%	1.50%
4	15%	2.25%
5	20%	3.00%
6	35%	5.25%
7	50%	7.50%
8	75%	11.25%
9	90%	13.50%
10	100%	15.00%

(e) Medallion Sales by City. As part of the Taxi Medallion Sales Pilot Program, the SFMTA may sell up to 60 Medallions that are newly-issued full-time Medallions, or are Medallions that have been returned to the SFMTA for any reason, to Qualified Purchasers at the Medallion Sale Price. The SFMTA shall be responsible for payment of the Driver Fund Transfer Fee for each such Medallion sold. The SFMTA shall continue to issue Medallions to applicants in accordance with Sections [1103](#) and [1104](#) of this Article during the pendency of the Taxi Medallion Sales Pilot Program.

(f) Taxi Medallion Purchase and Sale Procedures.

(1) Sale of a Taxi Medallion may only be accomplished by a purchase and sale transaction that complies with all requirements of this Article. Transfer of a Medallion

upon sale to a Qualified Purchaser is not effective until the transfer is approved by the Director of Transportation.

(2) The Director of Transportation may require a Medallion purchaser to provide documentation in a form satisfactory to the SFMTA of the source of the funds used to purchase the Medallion.

(3) The Director of Transportation may establish such purchase and sale procedures and other procedures as he or she deems appropriate to carry out the Taxi Medallion Sales Pilot Program.

(g) Purchased Medallions Subject to all Regulations. A Medallion purchased pursuant to this Section remains subject to all applicable laws and regulations and may be suspended or revoked for cause.

(h) Resale of Medallions. Medallions acquired pursuant to this Section are eligible for resale by the Purchaser in accordance with the provisions of this Section.

(i) Ramp Taxi Medallions. If any Ramp Taxi Medallion Holder who would qualify to sell a Medallion notifies the SFMTA that he or she elects to sell the Medallion, the SFMTA shall exchange the Ramp Taxi Medallion for a Taxi Medallion to be sold by the Medallion Holder. Such exchange shall not diminish the size of the Ramp Taxi fleet. No Ramp Taxi Medallion shall be sold pursuant to this Section.

(j) Driver Fund. The SFMTA shall establish a Driver Fund. The SFMTA shall deposit all Driver Fund Transfer Fees into the Driver Fund and may, in its sole and absolute discretion, elect to deposit other monies into the Fund. Monies in the Driver Fund may be expended by the SFMTA.

(k) Taxi Medallion Sales Pilot Program Advisory Council.

(1) The SFMTA shall establish a Taxi Advisory Council ("Advisory Council"), which shall monitor the issues that arise during the Taxi Medallion Sales Pilot

Program, evaluate the effects of the Pilot Program on all sectors of the taxi industry, and provide advice to the SFMTA Board of Directors and the Director of Transportation.

(2) The Advisory Council shall consist of 15 members appointed by the Director of Transportation. Three of the members shall be representatives of each of the following companies: Yellow Cab Cooperative, Luxor Cab Company and DeSoto Cab Company. Three of the members shall be representatives of other Color Scheme Permit Holders. Three of the members shall be Medallion Holders who do not represent a Color Scheme, and who are not employed as managers, dispatchers, cashiers, mechanics, or administrative staff of a Color Scheme. Three of the members shall be Drivers who are not Medallion Holders and who are not on the Waiting List. Three of the members shall be Drivers who are not Medallion Holders and who are on the Waiting List. Members shall serve for a term of two years and shall serve at the pleasure of the Director of Transportation. In the event that a vacancy occurs during a member's term, the Director of Transportation shall appoint a successor for the unexpired term.

(3) The Advisory Council shall prepare and provide to the Director of Transportation, no later than March 31, 2011, a report containing its assessment of the Taxi Medallion Sales Pilot Program and its recommendations regarding a long-term Medallion Reform Program. The Advisory Council shall be staffed by personnel from SFMTA Taxi Services.

(4) The Advisory Council shall terminate by operation of law two years year after the date that all members have been appointed, unless the SFMTA Board by resolution extends the term of the Council.

(l) Medallion Lender Qualification.

(1) A Purchaser of a Medallion may enter into a loan agreement for the purchase of a Medallion only with a Qualified Lender. A Qualified Lender shall not assign, sell or otherwise transfer the Qualified Lender's rights under the loan agreement and

ancillary documents with respect to more than 90% of the original loan balance without the express, written consent of the Director of Transportation.

(2) A Qualified Lender must be a financial institution chartered by a state government or the federal government, and may not impose any penalties or otherwise constrain the payment of the balance owed on the loan prior to the expiration of the loan term. The Director of Transportation shall adopt rules setting forth additional requirements for designation by the SFMTA as a Qualified Lender. If the SFMTA determines that a lender has failed to meet or maintain the requirements to be a Qualified Lender, the SFMTA shall deny the application to become a Qualified Lender or suspend or revoke the lender's current status as a Qualified Lender.

(3) All Qualified Lenders must enter into a written agreement with the SFMTA, in a form approved by the SFMTA. The agreement shall include, at a minimum, the Qualified Lender's acknowledgement of the provisions of this Section, the Qualified Lender's agreement to be bound by these provisions, and the SFMTA's promise not to set the Medallion Sale Price below the highest Medallion Sale Price paid by a Medallion Holder to whom a Qualified Lender made a loan that is still outstanding.

(m) Security Interests.

(1) Qualified Lender's Security Interest. Notwithstanding any other provisions herein to the contrary, a Medallion Purchaser may encumber a Medallion with a security interest pursuant to an agreement entered into with a Qualified Lender to finance the purchase of the Medallion.

(2) Filing Security Interests. A Qualified Lender wishing to evidence a security interest in a Taxi Medallion shall file a notice of the security interest with the SFMTA in a form approved by the SFMTA within ten business days of closing the relevant loan transaction, and shall provide to the SFMTA a copy of the promissory note, loan agreement, security agreement, any other underlying contracts or documents memorializing the terms

and conditions of the debt that is secured by the Medallion, and any documents memorializing the perfection of the security interest. The SFMTA will not recognize any security interest in a Medallion that is not filed and reported in compliance with this rule.

(3) Release of Secured Interest. Upon repayment of the loan secured by an interest in a Medallion, the Qualified Lender must file notice of release of the secured interest within five business days of the release with the SFMTA along with any underlying contracts or documents memorializing the terms and conditions of the release.

(n) Foreclosure and Transfer of Medallion.

(1) If the Purchaser defaults under the agreement with the Qualified Lender beyond any applicable notice and cure period, notwithstanding any other provisions herein to the contrary, the Qualified Lender may foreclose upon its security interest and possess the foreclosed Medallion as an owner of the Medallion with full right, title, and interest thereto, except that Lender shall not be permitted to operate the Medallion. If the Qualified Lender intends to foreclose on the security interest, the qualified Lender shall notify the SFMTA without delay once the Qualified Lender determines the date on which it intends to foreclose. The notice shall include the name of the Medallion Holder, the intended date of foreclosure, and the contact information for the representative of the Qualified Lender to whom inquiries may be made.

(2) Provided that the Qualified Lender has provided notice to the SFMTA under Section [1116](#)(n)(1), upon foreclosure in accordance with applicable law and the terms of the security agreement between the Qualified Lender and the Medallion Holder, the Qualified Lender may sell the Medallion pursuant to the provisions of this Section to the Qualified Purchaser identified by the SFMTA at the Medallion Sales Price. After deducting amounts payable to the SFMTA, the Qualified Lender shall retain sufficient proceeds of such sale to satisfy Medallion Holder's debt to the Qualified Lender as determined by reference to the unpaid balance under the loan agreement between the Medallion Holder and the

Qualified Lender. The Qualified Lender shall then, without delay, remit the amount payable to the SFMTA.

(o) Disciplinary Revocation and Resale.

(1) In the event that the SFMTA brings disciplinary revocation proceedings against a Medallion that has been sold in accordance with this Section, the SFMTA shall provide notice of the filing of such proceedings to any Qualified Lender holding a secured interest in the Medallion if the Qualified Lender has complied with all notice and reporting requirements of this Section.

(2) Disciplinary revocation of a Medallion shall not affect the validity of the lien of a Qualified Lender against the Medallion. Resale of the Medallion after revocation for any reason shall be subject to the lien of the Qualified Lender.

(3) Conduct of Sale. Upon revocation for any reason, the SFMTA shall identify the next qualified applicant and proceed to sell the Medallion in accordance with the procedures set forth in this Section.

(4) Disbursement of Sale Proceeds. At the time of sale of the revoked Medallion, the outstanding balance of the loan secured by a secured interest of a Qualified Lender in such Medallion on file with the SFMTA shall be satisfied with the Medallion sale proceeds after deducting the expenses of the sale and the Medallion Sale Transfer Fee and the Driver Fund Transfer Fee. Any remaining proceeds shall be disbursed to the former Medallion Holder or his or her designees.

(5) Continued Operation During Resale. Upon revocation of the Medallion, the SFMTA shall repossess and sell the Medallion. If the Medallion cannot be repossessed, the SFMTA shall issue a temporary Medallion to replace the Medallion during the pendency of the resale. The Medallion need not be in the possession of the SFMTA in order to proceed with resale. Upon revocation, and until the Medallion is transferred to a new

Medallion Holder, the Medallion shall continue to be operated by the Participating Color Scheme with which it is affiliated.

(p) Participating Color Schemes. Any Color Scheme Permit Holder who wishes to participate in the Taxi Medallion Sales Pilot Program as a Participating Color Scheme must enter into a written agreement with the SFMTA. The agreement shall include, but need not be limited to, the agreement of the Color Scheme Permit Holder to allow Medallions purchased under this Section to affiliate with the Color Scheme in accordance with all applicable rules and regulations, and to continue to operate any such affiliated Medallion during the period commencing on the revocation of such Medallion and ending on the resale of the Medallion, and at any other time upon the request of the SFMTA. During such periods of operation, the Color Scheme shall continue to make the payments that would otherwise have been payable to the Medallion Holder to the SFMTA in accordance with the agreement between the SFMTA and Participating Color Schemes.

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
MARIAM M. MORLEY  
Deputy City Attorney

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of \_\_\_\_\_ .

\_\_\_\_\_  
Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

RESOLUTION NO.

**REPORTS OF HEARING OFFICERS FROM TOWN HALL MEETINGS  
HELD ON JUNE 1, 6 AND 8, 2011.**

To: SFMTA Board of Directors  
From: Julie Rosenberg, SFMTA HEARING SECTION  
Date: 6/13/11

Re: Summary of public comments from daytime taxi town hall meetings on 6/1/11, 6/6/11 and 6/8/11 and written submissions to [www.sftaxi@sfmta.com](mailto:www.sftaxi@sfmta.com).

The Hearing Officer does not express any personal opinions in this report. All comments were made by the public.

**Process Concerns**

The SFMTA should take a professional approach to the proposed issuance of new medallions. How did the MTA arrive at 125 proposed medallions? There has been no input from the town hall meetings about the number of proposed medallions.

There should be public convenience and necessity (“PC&N”) hearings to determine if and how many cabs are needed on the streets in San Francisco.

**Centralized Dispatch or Open Taxi Access (“OTA”)**

**Solve the dispatch problem before issuing new medallions.** Many drivers and medallion holders consistently and repeatedly stated that having a centralized dispatch system or Open Taxi Access system would solve the service problem. Drivers do not take radio calls because they do not know if the fare will be at the location upon arrival. An OTA system would connect passengers with available cabs. Many drivers and medallion holders want the SFMTA to first solve the dispatch problem and then determine how many new medallions are needed in San Francisco. The use of OTA and electronic waybills should provide meaningful data to determine whether or not any new medallions should be issued.

The SFTMA should provide financial support for the development of an OTA system and also fund a study of a centralized or integrated dispatch system.

**Single Operator Permits**

Arguments in support of single operator permits

- SF needs more cabs. The fact that there are so many limos shows that more cabs are needed. More cabs will improve service. The more owner/operators on the street, the better the service.
- Will benefit passengers.

- Single operator permits are a thousand times better than peak time permits. Their operations will be more flexible, better serving the public and give some drivers the opportunity to have their own cabs without paying outrageous long-term lease fees.

#### Arguments against single operator permits

- The economy does not support these permits.
- If the operator is sick, he/she would lose money. A special insurance plan could provide back up; however, one driver was opposed to this type of business plan that relies on insurance
- Not feasible for older drivers. Older drivers cannot work 60 hours a week and do not want to drive at night with the drunks and the yuppies.
- The single operator permits raise complex and burdensome regulatory issues. These permits cannot be enforced. Even if there were electronic waybills to track the operation, these can be easily turned off.
- More cabs on the street will affect the income of those not working lucrative shifts.
- The single operator model is a proven failure as seen in Toronto.
- This proposal favors one small group.
- This whole system is a lot of work for minimal results. There are enforcement costs. The driver is making the same amount of money as gas and gates but with more headaches. Not viable.
- A petition was submitted by the Association of Burmese Cab drivers and other SF drivers against the issuance of single operator permits. There are 178 signatures.

#### Comments/suggestions on the operation of single operator permits

- Should be given to the people on the waiting list.
- No charges should be imposed by the SFMTA except fees to meet regulatory costs. If the SFMTA has a financial interest in putting more cabs on the street, they will be forever tempted to do so, regardless of need.
- These permits should operate from 3 p.m. until 1 a.m. and the driver should pay \$500 to \$1,000 a month fee to the SFMTA only if cabs identified with a strong color. Should not be affiliated with radio dispatching system. This will push the 1,500 regular medallions to go and look for radio calls at slower times.
- Should only be operated during peak times.
- Should only be operated from 4 a.m. until 8 a.m.
- Should only be operated during set hours to more easily enforce the time maximums.
- Should not be affiliated with a color scheme; however, the vehicle should be painted a special color, or have special license plates or a pizza parlor-type pyramid on top so that the cab is easily identifiable.
- The SFMTA does not need to give a discount rate for the radio calls. The \$500 lease fee should be collected and put in the Driver Fund. The lease fees can be given back to the drivers in the form of vouchers by way of a lottery.
- The discount for picking up radio calls is a good incentive. Any lease fees should go back into the Driver Fund to support increased enforcement.
- The SFTMA should not collect the \$500 lease fee. Elimination of this fee would make it more practical and profitable for the driver. The economics of a single operator taxi are marginal enough without this added expense.

- The maintenance/repair fees could easily exceed \$750 monthly, especially for hybrids. Single operator permits may not be economically feasible for an individual
- There should be a \$5,000 fine for violators.
- Electronic waybills should be permissible for single operator permits to ensure compliance with the maximum driving hours.
- There should not be a dispatch affiliation fee of \$500. This fee is not needed for this small number of cabs. These permits should have no attachment to dispatch.
- Drivers should buy their own cars, thereby reducing the maintenance fee from \$650 to approximately \$300.
- In lieu of meeting the driving requirement to qualify for such a permit, a driver should be able to substitute some years by passing or scoring well on a knowledge test based on routes, laws and taxi rules.
- Several people stated that these permits should not have the right to wait in airport lines.
- Under the single operator permit, a driver is not required to have workers' compensation; however, this will be problematic if and when the driver needs to lease the cab to another driver..

### **Peak Time Medallions**

Peak time medallions will not solve service problems: Peak time medallions are a band aid and will not solve the service problem. Ways to solve the service problem:

- More full-time medallions needed on the street. We will continue to have illegal limousines and gypsy cabs if we do not get more medallions. According to one cab company owner, there are three major companies (Yellow, Luxor and Desoto) that have half the taxis which do 80 to 90 percent of the neighborhood calls. If more medallions are put out, they should go to the companies that have a standard of public service. The peak time proposal is like throwing a bone with no meat.
- Centralized dispatch: Most of the drivers and medallion holders are strongly in favor of Open Taxi Access or centralized dispatch. The drivers state that the companies are against centralized dispatch because they will lose money. Per the drivers, companies just want more medallions on the street because they make gate fees off the medallions. They do not care about public service and are dishonestly stating that they cannot accommodate demand.

Many drivers against peak time permits: A petition was submitted by the Association of Burmese Cab drivers and other SF drivers against the issuance of peak time permits. There are 178 signatures.

Service will improve: Some people believe service would improve with peak time cabs. It may be a band aid, but let's try it to see if it takes off the pressure. People are not getting cabs during peak times. We need public support. The public will not support a meter increase unless we improve service

Enforcement: There is currently no enforcement against hotels and illegal limousines. How can we expect the SFMTA to enforce against peak time cabs operating outside of legal hours? Peak time cabs should be a specific color like pink so that they can easily be identified during non-peak times. A

problem arises, however, because there may be special events outside of peak time hours. If the peak time medallion is operating outside of peak hours, there should be a large fine (one person suggested \$5,000) or revocation of the permit.

Peak time medallions should go to drivers not cab companies: There should not be corporate control of the medallions. The peak time medallions should go to drivers on the medallion waiting list. They should not be required to have radio service.

Only cab companies want peak time medallions: Results in increased gate fees for companies. One manager for a major cab company stated that the company has thousands of orders that go unfilled because there are not enough cabs during peak times. The manager stated that some of the proposed costs for a peak time cab can be lower.

Spares should be used: Spare cabs should be allowed to operate peak time medallions. The use of spares would reduce costs.

Longer operation at 75 to 90 hours a week: The initial 60-hour proposed maximum is not cost effective for the cab companies. It would work if they could be operated 2/3 of the time. One company representative stated that nothing less than 90 hours a week would make peak time medallions feasible.

#### Hours of operation:

- Peak time medallions should have flexible hours. If they only go out Friday and Saturday, those shifts may not be as profitable. The definition of “peak time” varies with the color scheme. Luxor provides a lot of transportation to medical facilities which takes place during the day.
- Peak time medallions are only needed in the evenings when it is busier.
- Peak time hours should be clearly defined. Start with Friday and Saturday nights 4:30 p.m. until 3:30 a.m. shift.

#### Pilot program:

- The SFMTA should try 25 peak time medallions on a provisional basis.
- The SFMTA should try 30 to 50 peak time medallions as a pilot program for 60 to 90 days and use spare cabs to reduce costs. If the program goes well, adjustments can be made to make it a reality. These 30 to 50 permits would be divided equally among companies with a minimum of 150 taxis on their radio dispatch service.

Other cities: It is difficult to get a cab in every major city in the world during peak times. No other city has peak time cabs.

Weak economy: The weak economy does not support the issuance of more permits. There is no enforcement against the illegal limousines.

## **Electronic Waybills**

[Note from Hearing Officer to the SFMTA Board: Most drivers and medallion holders are strongly AGAINST having electronic waybills. Taxi Services originally wanted to capture the driver’s name, fare information, time and location of pick-up and drop-off, paid and unpaid miles and number of passengers. In response to the drivers’ objections, Taxi Services made a modified electronic waybill proposal on 6/8/11. The modified proposed waybill would not include driver or fare information. Furthermore, Taxi Services would only seek aggregate data of all the drivers’ paid miles. This change appeared to make electronic waybills more palatable to the drivers but I do not believe they were entirely clear about the “modified” waybill proposed by Taxi Services. The comments below reflect the comments given at all of town hall meetings.]

Electronic Waybill First Proposal	Electronic Waybill Modified Proposal
Driver’s name	omit
Fare information	omit
Time of pick up and drop off	same
Location of pick up and drop off	same
Paid and unpaid miles	<i>Aggregate data for all drivers’ paid miles</i>
Number of passengers	same

Drivers’ arguments against electronic waybills:

1. Privacy and identity theft concerns

- Personal information is connected to the driver and it can be stolen. At Yellow Cab, when you log in, your name is linked to the Yellow computer. They have social security numbers and personal data which travel with the driver. Yellow has your personal page and the live system. If the personal page is disconnected, then the information is secure; if not, then it can be hacked.
- Fears about identity theft and personal information being hacked were expressed. A driver should not have to log on with his or her driver’s license.
- Sony was hacked and then three weeks later hacked again.
- Drivers do not want every minute of the job monitored. Drivers do not want to be penalized if they work more than 10 hours a day. There is a concern about counting time when there is no driving, for example getting waybills, washing car, etc. Drivers are forced to drive more than 10 hours by the City because there has been no raise. Also if a car is towed in, a cab company might state that the lost time has to be made up before another shift; this would cause driver to exceed 10 hour maximum.
- The SFMTA really just wants to track people with the electronic waybills, and the drivers do not trust the cab companies.
- Drivers want guarantees of safety and privacy. The SFMTA has not explained how the system would work and how privacy would be protected. As a regulator, the SFMTA has a duty to protect the data collected by cab companies and electronic waybills.
- Drivers are independent contractors and self-employed. The SFMTA cannot collect this data and they do not need to save it. If you want GPS to monitor the drivers, then make them SFMTA employees. Privacy is part of freedom.

- Leave the drivers' names off the waybills. If you need a driver's name or number, get it from the cab company. Every company records which driver is assigned to a particular cab.
- Information should be given to the SFMTA from the cab companies on a disc so that personal information is not transmitted over the internet.

## 2. IRS concerns

- The IRS will use this information against drivers to get more taxes. This is what happened to waiters and waitresses. The IRS will calculate income based on paid miles.
- Drivers do not want to have two tax records.
- Concern if the electronic waybills include paid amount and tips. Sometimes passengers do not pay or a credit card is declined; sometimes a person is robbed or a driver forgets to turn off the machine. There is a concern that drivers will pay unnecessary taxes. "Paid miles" is income information.
- Electronic waybills should not have information on mileage. If the mileage were redacted, an electronic waybill would be much less objectionable.

3. Technology is not reliable: Currently the GPS on the debit system is not accurate or reliable. The machine is supposed to turn off and it does not. Sometimes it shows two transactions instead of one. If Verifone is down, then a driver can't start the meter. Many drivers often forget to turn the meter off because they are multi-tasking and dealing with pressures like traffic. The IRS can make decisions based on faulty data and a driver can be penalized

## Electronic waybills are not necessary to achieve the four stated purposes on the town hall handout:<sup>6</sup>

- *(1) To qualify medallion applicants, and (2) to investigate non-driving medallion holders* : Driver response: There is always fraud whether it is on paper or electronic. People will find a way to commit fraud by logging on under someone else's name with their log-on information. A driver could drive off the lot and sell the cab and shift to someone. The SFMTA should not punish all drivers because of the bad behavior of some drivers. Electronic waybills are not the way to prevent fraud. Counter comments: Although electronic waybills would not completely eliminate fraud, it would be a great improvement. Almost nobody fills our paper waybills accurately. Also, companies lose waybills for the people they do not like.
- The SFMTA should ask for feedback from the drivers on how to prevent fraud. The only way to catch cheaters is to randomly check. There are 1,500 medallions in SF, 400 are pre-Prop K and the holders of these medallions do not need to drive. This leaves 1,100 medallions out of which approximately 800 are driven by affiliates. This leaves 300 medallion holders to monitor. Why should 7,000 drivers be penalized to monitor 300? Another option should be to have electronic waybills only for those on waiting list. There are 3,500 people who are NOT on the waiting list who should have an exemption from electronic waybills. Of the 3,500 on the list, at the rate the list is moving the first 300 will be issued in five years, so the SFMTA should only monitor the top 300 on the list.

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<sup>6</sup> At the first town hall meeting on 6/1/11, Taxi Services stated that one of the purposes was to find lost property. Taxi Services subsequently removed this stated purpose

- (3) *To identify key industry statistics for the purpose of improving taxi service.* Driver response: Many cab companies already collect this information electronically and the SFMTA can get it from the companies. Luxor has been collecting it for 10 years. How will statistics improve service? Company owners and senior drivers can provide information about the industry if the SFMTA wants to know. A study should be done to learn how to improve service. The SFMTA can take a statistical sampling of the information it wants and make conclusions based on that sample. Most drivers stated that service could be improved with a central dispatch system.
- (4) *For evidentiary reasons in criminal investigations.* The police can go to the cab companies and get the information they need.
- The argument that electronic waybills will help the cab companies' storage issues is not valid. Drivers pay gate fees which cover the storages costs.

Data should be destroyed: Electronic waybills could be used, but the data should be kept for only three to five months and then destroyed, except for the essential data. For those waiting for a medallion, keep the information for six to 10 years. For others, give them the option of having the information destroyed.

Pilot Program: Electronic waybills should be a pilot program with 20 percent of the cabs to see how it works. Bridges are not built without advance planning and testing. The same should be true for electronic waybills.

Arguments made in favor of electronic waybills:

- Eliminate Fraud: Electronic waybills can help qualify medallion applicants and also be used to revoke medallion holders who are not driving. Dozens of medallion holders are faking waybills. One cab company owner estimated that ¼ of medallion holders are not in compliance. Brokers are running taxis and putting anyone behind the wheel. Electronic waybills will help take the medallions away from the people cheating and put them in the hands of real drivers. There is a serious lack of enforcement by the SFMTA and electronic waybills move us in the direction of greater accountability.
- Will help provide meaningful statistics: Statistics could be helpful in determining if more medallions should be put out on the street; if more medallions are not needed this would help drivers. Most waybills are falsified and we do not have information on what we are actually doing. One driver thought that the requirements for waybill information was too relaxed and that there should be monetary totals and data
- To make the existing fleet as efficient as possible, the SFMTA should collect data about the orders drivers fill. This would be done by having an Open Taxi Access program in tandem with the collection of electronic waybills. This process should take at least three years: two years for the development of OTA program and at least one full year of its use.
- Eliminates need to handwrite: One person stated that writing information down on paper waybills is exhausting.

General Comments/Suggestions

- If there are going to be electronic waybills, companies should be required to print out waybills for the driver upon request for the driver's records.
- Paper waybills should not be phased out completely.

- There should be some type of codification or agreement about what information will be on the electronic waybill.

IRS fears unfounded: A cab company owner stated that it is an unnecessary fear that income will be tracked. With the 1099k rules started in January 2012, every credit card transaction will be tracked and given to drivers by the credit card company.

Electronic waybills and peak time and single-operator medallions: Electronic waybills should be permissible for single operator or peak time medallions. It would be a way for the city to monitor compliance.

## **ELECTRONIC WAYBILLS and NEW MEDALLIONS**

**Reporter: Henry Epstein, SFMTA Hearing Section**

### **I. Introduction**

The three-hour town hall meetings covered four proposals:

- i. introducing electronic waybills ("electronic waybills")
- ii. adding new part-time medallions (peak-time medallions and single-operator permits) ("Peak-time Medallions" and "Single Operator Permits")
- iv. adding medallions under the traditional/standard Prop-K program
- iv. adding medallions under the pilot (sales) program

**There was substantial resistance to the introduction of electronic waybills, and a mixed response to the other items.**

Each sentence below represents a statement by a single driver or a few drivers, not a consensus. The comments summarize all three meetings. Grouping of like comments should be viewed as an aid to the reader, but not as a consensus, which was often difficult to determine since the number of people at each meeting fluctuated as different drivers entered and left the meetings.<sup>7</sup> Note that the hearing officer attended as a neutral observer and expresses no opinions of his own in this report.

### **II. Electronic Waybills**

Many drivers were concerned about over-centralization of data in SFMTA; reliability of the data; risks to privacy, and abuse or misuse of the data against them. These concerns frequently overlapped and were expressed by a majority of the drivers present.

Drivers should not be required to fill out waybills to collect information for the San Francisco Police Department or any other regulatory agency including the SFMTA.

Transferring drivers' data to SFMTA implies that SFMTA is drivers' employer. If so, SFMTA should give drivers' benefits, including a pension plan and paid time off.

Data will be unsafe in the hands of SFMTA.

Hackers love centralization of computers. If SFMTA is going to do this, it better have very good computers. Wait a few years to implement this, until security improves on the web. If even IRS data can be hacked, any database is vulnerable. SFMTA won't have fail-safe supercomputers. Even if SFMTA deals with breaches in its computer system, concern that SFMTA will not tell drivers about such breaches.

Prefer that if IRS, Homeland Security are to get any data collected from electronic waybills, they get it from the cab companies. SFMTA should not be the center of data collection. Information from

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<sup>7</sup> Drivers are not identified. Unless indicated, no distinction is drawn between medallion holders and non-medallion holders. If a non-driver spoke, he or she is identified as such. "Customer" and "passenger" are used interchangeably

electronic waybills should be only on a "need-to-know" basis and the data should be stored at the cab companies, not SFMTA. The cab companies already collect information.

Concern that drivers' private information will become public. Inaccuracies are magnified by leaks and disclosures to public. Drivers fear abuse of information in disciplinary cases.

Worried about information going to the wrong places, e.g., driver's SSN and date of birth. Records may be stolen, for example credit card data.

Information is already available from taxi meter readings. If GPS operates with electronic waybills it won't give customers' apartment numbers or business addresses, only spatial coordinates. Only current WB's will give details on actual addresses and tell whether customer was actually picked up. There will be discrepancies between current WB's and the electronic waybills that might be counted against the drivers. Drivers sometimes turn on meters so potential passengers know they are unavailable (e.g., when heading for a restroom). This would appear on an EWB but not on a handwritten WB and throw suspicion on the latter.

Concern that electronic waybills will reproduce the problem that already exists on the electronic meters, i.e. one fare to SFO sometimes shows up as two fares.

Not against electronic waybills per se, against too much information collected from electronic waybills.

Electronic waybill should not collect fare or tip information. Any EWB data should be used solely to collect statistics for business purposes or for assessing traffic conditions.

Many drivers don't fill out waybills - they think it's a waste of time. You will have to convince drivers that the EWB data are not personal to the driver or particular to the cab.

Even if SFMTA publicizes what data it will collect, unpublicized data might still be collected, and there may be unstated uses of the data.

In the recent New York City case using electronic data as evidence of drivers overcharging, only 30-40 drivers were directly implicated after many more were smeared by the initial misuse and publication of data. Data had to be re-examined to exonerate the majority.

Current handwritten waybills are more accurate. GPS system has errors therefore the electronic waybills will have errors too. We will be blamed if there is a contradiction between the waybills based on GPS information and the traditional handwritten waybills. Wait until the technology improves

Are electronic waybills being instituted to regulate the proposed new types of medallions or for other functions of SFMTA?

The issue of electronic waybills should be de-coupled from imposing credit card fees on drivers.

**PRO**

**A minority of drivers favored electronic waybills as a way of collecting data on which SFMTA could make sound business decisions for the industry, e.g., meter and gate increases; number and type of new medallions, etc. In general, these drivers were not as concerned about possible risks to privacy or the reliability of the data collected by electronic waybills.**

Security concerns *re* electronic waybills are overblown. SFMTA will deal with such issues. The IRS can check drivers' bank accounts and handwritten waybills to go after them in any event. electronic waybills will not increase their risk.

Not concerned that electronic waybills will reproduce the reported problem with electronic meters, i.e. one fare to SFO sometimes showing up as two fares, since the IRS does not see the duplicate fares.

Data collected by electronic waybills would be helpful in SFMTA making sound business decisions based on data, e.g., whether more medallions are in fact needed. Data from the current waybills won't rebut politicians who want more medallions. We need industry-wide studies based on better data.

Current "system" of data collection is a fiction; electronic waybills would remedy this.

The data that will be collected by electronic waybills is too trivial for drivers to be concerned about.

### **III. Issuance of new medallions**

**Many drivers objected to the introduction of new medallions, whether traditional, sales, "Peak Time," or "Single Operator."**

**Objections were made on different grounds. For example, participants believed that it was difficult to define "peak time" as a basis for Peak-time Medallions, and that enforcement of peak-time limits would be a problem. Participants also worried that Single Operator Permits were not viable as a business model. Finally, most drivers thought that the introduction of either of these new permits would not improve service, and that adding new Prop-K or sale medallions was not the answer either. The vast majority believed that service would improve only with centralized dispatch or open taxi access (OTA).**

**However, there were also objections, and support, for Single Operator Permits and Peak-time Medallions independent of the issue of service (see III.A-B, below).**

#### **A. The Service Issue:**

More medallions do not mean better or more reliable service. In the Avenues the issue with poor reliability has to do with long waits by customers and drivers not wanting to spend time getting to distant locations and facing no-shows. Another problem is that rush hour downtown sucks cabs away from the Richmond and Sunset districts. Downtown the issue is congestion, slow moving cabs with customers waiting for them or not enough cabs at other hours. The problem involves the distribution of cabs both geographically and in terms of time of day, not the volume of cabs. OTA should be

implemented.

SFMTA will not be able to improve service unless it improves the life of the cab driver. If there is a key to improved service is centralized dispatch. That should make cabs more efficient in serving the public. Don't add more cabs until centralized dispatch is tested. Utilize OTA because centralized dispatch is not now feasible.

Peak time or single operator permits won't solve the peak time crunch for passengers. SFMTA and the taxicab industry need to develop outreach to passengers. An open taxi access (OTA) system (such as Cabulous) is what is needed to solve the problem. Cabulous is easy to use. Contrary: the Cabulous screen is distracting and too small to use easily.

Peak-time Medallions or Single Operator Permits won't solve service problems or be more efficient; only open taxi access or centralized dispatch will do that. These should be studied before instituting Single Operator Permits or Peak-time Medallions. These medallions should be held back until it is clear whether service has improved from the meter increase. It is necessary to quantify the need for service. We need more cabs not more medallions. Put out more cabs.

Adding 25 new medallions of any kind will not result in pick-ups in the Richmond or Sunset district since the proposed medallions are for city-wide use. In addition, it is unfair to existing drivers to have more cabs on the street.

If SFMTA wants to increase medallions in order to collect more fees, versus improving service through centralized dispatch systems or OTA, there is a conflict between the goal of good service and SFMTA's own revenue interests.

All "designer" medallions are a bad idea. Stick with current medallions, but incentivize radio pickups. For example, as the driver raises his/her responses to radio calls, increase the incentive: first time \$2.50; 10th time \$5. Currently we are punished for being faithful to the calls that we get over radio dispatch. When we go out to the Avenues, there is often be a no-show. In the meantime we have passed up a live person on the street.

To convert an "SFO player" (a driver who does mostly airport runs) to a radio dispatch player you must compensate the driver. Pay the driver an extra one dollar per fare during normal hours and two dollars per fare during peak time hours to answer radio dispatch calls to the Richmond and Sunset to compensate driver for "no shows." This is an answer to the service problem that does not depend on the issuance of new medallions or permits.

Provide a separate radio channel frequency for all calls out to the Sunset that PTM and Single Operator Permit drivers have access to. As an alternative have open taxi access for all drivers.

Voice/radio dispatch is better than computerized dispatch which is not as good for serving the public.

What about having cabs that are colored coded to operate in only certain underserved parts of the city?

## **B. Peak-time Medallions**

**Many drivers wondered if peak time could be defined flexibly enough so that these medallions would be viable, but not so loosely that enforcement would be problematic. These concerns were expressed by both those arguing for peak-time medallions and opponents of peak-time medallions. The latter predominated.**

When peak time hours occur and the intensity of the peak time period is not predictable. Besides Friday night and Saturday night hours there are often weekday nights when there are special events, for example ballgames and conventions when demand for cabs is at a peak. This makes the definition of peak time a problem.

If there are to be peak-time cabs, they should have a clearly marked color different from other cabs to enhance enforcement. They should be restricted to from 3 PM to 1 AM and penalized if they are driving outside these time limits.

Peak-time Medallions are all right and only if they are clearly identified as such. Define peak time as 60 hours per week.

Anything over 60 hours is too much.

Peak time is about 30 hours per week. Prefers Single Operator Permits to peak time medallions.

Various proposals for enforcing peak time hours: base the time on mileage - for example at 200 miles per shift, five shifts per week, approximately 50,000 miles per year. If the odometer goes over, the driver is exceeding peak time driving and should be fined.

Provide a separate radio channel frequency for all calls out to the Sunset that Single Operator Permit or peak time drivers have access to. As an alternative have open taxi access for all drivers.

Separate Peak-time Medallions by numbers and colors and set maximum mileage at 60 to 70 hours per week and you will have regulation. No one can drive more than that many hours and still operate during peak time only.

It is not complicated to monitor where and when cabs are out driving: for example, the odometer readings will reveal how much a cab is on the road. Install a GPS tracking system to register where the cab is at any time. This may have the added purpose, if used with Cabulous, to show customers and drivers when they are near each other. This would improve service and also help enforce the restriction to peak times.

Concern that PTM drivers will function as gypsy cabs by turning off the lights and the meter and charging passengers a flat rate during off-peak times.

To save drivers money, these cabs should not be attached to a color scheme. These permits should not go to the companies they should be intended only for drivers. Peak times should be defined flexibly: the goal is to get drivers out there on radio calls

Lease 25 peak time medallions to companies for gas and gate drivers, not as medallions.

If peak time medallions are adopted, they should not be leased by the SFMTA to the drivers.

It would be okay to have a pilot program for Peak-time Medallions but companies should not pick the drivers.

Both Peak-time Medallions and Single Operator Permits are bad economics. They will take profit from other drivers by exploiting the only time that drivers can make money in the industry. In any event, the collusion between the doorman at the hotels is cutting into peak-time profits. The solution is not to issue Peak-time Medallions, but for SFMTA to move against illegal conduct by doormen and illegally operating limousines.

Operators of Peak-time Medallions could simply lower the flag or go off-meter and charge flat rates during off-peak times to evade limits on peak hours, i.e., operate as "gypsy cabs."

Fear that Peak-time Medallions will function during off-hours as gypsy cabs is misplaced. These cabs will be licensed and regulated by SFMTA and will have to carry insurance. Highly regulated single-shift cabs would not become gypsy cabs and GPS could be used to enforce this. Another way to enforce this would be to park cabs at special lots and note the times that cabs would even out. If not there during off-peak hours, you would know that they were operating illegally.

Another way to enforce would be to use electronic waybills to track.

Such cabs should have one color, and fixed times. Any other way of monitoring will result in these cabs operating as gypsy cabs. If this is unenforceable go back to having regular medallions awarded as they arise on the list.

Fixed hours or a fixed time will not work. Currently GPS receivers/transmitters are hidden on some cars to prevent theft, perhaps these could be used to monitor operations by the proposed cabs under the new medallions.

Issue twenty-five Peak-time Medallions only under the following conditions: affiliated with dispatch service not color scheme; not permitted to deadhead to SFO; not operate between 3 AM and 7 AM; restrict ability to lease cab for periods when unable to drive, but provide disability insurance (not workers comp) for these periods to avoid financial hardship. electronic waybills would be okay to monitor peak time driving.

Restrict peak time to 30 hours, set in stone; identify cars by pink color and number (e.g.3000 series) so drivers can't abuse the privilege of driving these cabs and use the cab to drive off-meter during other hours.

It is not necessary to define the particular hours that a driver may work, for example "peak time," or the number of hours - the driver will work peak time hours to make a profit.

Problem: There are empty cabs even during peak times.

Peak-time Medallions and Single Operator Permits will be difficult to regulate and create many

problems. Issue full-time medallions or none at all.

A PTM pilot program will either be a "drop in the bucket" and will not help to fulfill peak time needs or the pilot program will expand with unforeseen consequences.

### **C. Single Operator Permits**

**There was less objection to Single Operator Permits than to Peak-time Medallions. The discussion centered around who would be eligible for them and how drivers would qualify; and how the rules regulating them would be enforced. There was overlap between 's and Peak-time Medallions on the issue of enforcement, with some of the suggestions on enforcement for Peak-time Medallions also offered for Single Operator Permits.**

#### **Pro**

Single Operator Permits serve a dual function: they are meant to reward veteran drivers and they will function to satisfy peak time needs.

Add Single Operator Permits instead of standard medallions. Single Operator Permits should go to drivers who will use them only in the City where they are most needed, not at SFO.

Single Operator Permit should be 4 to 6 twelve hour shifts per week but the operator should be able to drive whenever he pleases. It is in his economic interest to drive at peak times.

**Single operator permits may solve the problem of having too few taxi cabs on the street between 4 PM and 6 PM while drivers switch shifts. Single Operator Permits would not have to park their cars in the company lots or switch shifts during these hours since they would own the cab and take it home.**

Single Operator Permits would be their own color scheme. There are ways to ensure that the Single Operator Permits are lucrative enough whatever hours they drive, so that they are a viable business model.

A driver can make \$40 per hour per shift therefore there should be no problem for Single Operator Permit

#### **Con**

**The business model for Single Operator Permits may present an economic hazard; drivers may not make enough money from them (versus traditional medallions). And senior drivers will have a hard time driving enough hours, including peak time, to make it profitable.**

**Solution:** two senior drivers could share one Single Operator Permit; each driving about 30 hours per week.

There are enough medallions already. Use of any more, especially during peak time, puts pressure on

other drivers during peak-time and if used during off-peak time will decrease fares even more for A-card drivers during these difficult shifts. **Contrary:** these drivers are making a living or they wouldn't be out there. If there's a problem gate fees can be re-adjusted for off-peak hours to make shifts more profitable.

### **Issuance of Single Operator Permits**

Don't make affiliation with a good dispatch company a precondition for Single Operator Permits (or Peak-time Medallions). Some companies with good dispatch services are not interested in drivers picking up in certain areas and are not interested in public service. Companies with drivers who want to serve the Avenues should be able to access dispatch services of these underperforming companies.

It is a bad precedent to lease Single Operator Permits; just put them out there.

Various criteria for issuing Single Operator Permits (and Peak-time Medallions) medallions: interview people to determine who will drive in the City only (as opposed to an SFO); give a test and award these medallions to those who score highest on the test (the tests can be written, oral, practical, or all three); any new medallions should be based on seniority. Veteran drivers have waited years for medallions, and some veteran A-card drivers are not even on the list. **Contrary:** seniority is unfair to the younger drivers and SFMTA will have difficulty deciding which senior A-card drivers are really full-time, and monitoring their future compliance with full-time driving requirements.

There will be a problem determining who on the A-list who has seniority is also a valid full-time driver. There are A-list drivers who do not drive full-time just as there are medallion holders who are not drive full-time.

Special medallions should be given out not by seniority but by other criteria: for example, drivers should have to be able to give a tour of San Francisco; have five years experience; and pass the test with high marks.

If Single Operator Permits are taken from a seniority list of A-card holders, they will find it difficult to drive enough hours, e.g., 60, to make a profit. But suggestion that Single Operator Permits be shared by two older drivers.

Issuing Single Operator Permits is unfair to current medallion holders; they won't work, and if issued to older drivers they are unlikely to use Cabulous or other open electronic dispatching services and therefore will not improve service.

A test should be given to qualify drivers for Single Operator Permits not seniority.

Postpone issuing these new types of medallions and drivers will support SFMTA on instituting open taxi access (OTA).

Limit Single Operator Permit to 60 hours; don't attach to Color Scheme; but have a fixed color. Confine to flag pickups on the road;

Driver claims he has 170 signatures opposed to Single Operator Permits. These drivers feel that Single Operator Permit will create problems for example they will operate as gypsy cabs, and will not increase service. It is okay to issue an extra 25 standard medallions per year, but advise SFMTA to create another business model to benefit older drivers not on the list.

Electronic waybills could also regulate Single Operator Permits (as well as Peak-time Medallions) and radio calls could also be used to monitor them.

Single Operator Permit will not work for a ramp medallion. There is no way to make enough money operating a ramp medallion as an Single Operator Permit.

Illegal cabs and limousines are the real issue.

You cannot create a specialty dispatch for Single Operator Permits. Single Operator Permits are a risky business. *Contrary*: Older drivers who don't want Single Operator Permits would not apply for them and they should be awarded on the basis of "self-selection."

#### **Issuance of Standard Medallions (staff recommendation reduced from 125 to 25)**

i. The public wants more medallions. The SFMTA's recommendation to grant 25 medallions instead of their original proposal of 125 is a good-faith compromise with the drivers; so is the stripping off of certain data that the drivers objected to on the electronic waybills a good-faith compromise. Twenty-five new cabs will not result in a reduction in current drivers' income.

ii. Standard medallions should be issued at a one-to-one ratio: sell one (money to City); award another to drivers at top of list.

iii. If additional medallions are to be issued, just issue standard medallions. Combined with centralized dispatch that will improve service. The new Single Operator Permits and Peak-time Medallions will open the floodgates to more medallions.

iv. There are enough medallions now and more will not improve service. Our voices may have no effect on the SFMTA Board. The real, unstated goal of issuing these new types of medallions is to be able to sell them at some point. For example, Peak-time Medallions or Single Operator Permits will sell at \$120,000, half of the \$240,000 for medallions now on sale. *Contrary*: they will not be viable for sale. *Contrary*: why shouldn't the City make money off the sale of medallions?

**Note: The underlined sentences in items i. and iv., above, represent the two poles of driver confidence in the fruitfulness and legitimacy of these Town Hall meetings. In addition, participants expressed concerns that whatever confidence in the SFMTA they gained through these hearings might not extend to the vast majority of drivers who chose not to or were unable to attend and who might be unsophisticated in some of these issues. To include these drivers those present suggested that the SFMTA use polls, mail questionnaires, and conduct other forms of out-reach in the future.**

