

## Agenda Item: 6

Consideration of Clean Air Taxi Program: Proposed Amendments to Rules 4.A.6, and Sections 5.D and 5.G, Proposed Deletion of Rules 4.A.8, 5.B.1, 5.B.3, and 5.B.8 of the Rules and Regulations (see Explanatory Documents for Proposed Amendments) [DISCUSSION]



**TO: Honorable Commissioners**  
**FROM: Jordanna Thigpen**  
**RE: Clean Air Taxi Program: Implementation and Enforcement**  
**DATE: 6/2/8**

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The Clean Air Taxi Program provides for several important changes to the San Francisco taxi fleet. To properly administrate and enforce the Clean Air Taxi Program, rule changes are necessary.

### **Milestones**

- On April 1, 2008, the Taxi Commission and the Department of Environment released the first Green Vehicle Guide
- On April 7, 2008, MPC § 1135.2 took effect, authorizing a surcharge for SULEV or better vehicles as determined by California Air Resources Board standards
- On May 1, 2008, the Taxi Commission released sample Fleet Conversion Plans designed to help taxi companies submit their first progress reports in compliance with MPC § 1135.3(b)
- On June 1, 2008, all companies must present a Fleet Conversion Plan for their company indicating how they will comply with the mandate
- On July 1, 2008, no vehicle may be introduced to a company's fleet unless it has been approved by the Taxi Commission

### **Outreach**

Companies were blast faxed and emailed on three separate occasions regarding the Fleet Conversion Plan, which is due June 1, 2008. As of the deadline, all companies except Central, Comfort, and Lucky had submitted plans. Central, Lucky, and Comfort were fined \$250 for failing to comply. Royal, Arrow, Delta, Luxor, Regents, and DeSoto submitted incomplete plans and the Commission is working with them to solve the individual problems in each plan.

### **Ensuring Compliance**

In order to ensure compliance with the mandate there are several key issues to be addressed through rules and procedures changes.

## Introduction of Vehicles into the Fleet

The main issue is the method by which vehicles come in and out of the fleet, both generally and as to individual companies. There are several ways by which vehicles are introduced to a particular company's fleet:

- Medallion holders move medallions from company to company. They may take the actual taxicab vehicle with them, or they may not
- Vehicles come in and out of service
- New or used vehicles (with <60,000 miles) are being purchased – miles or years have caught up with the vehicle
- Spares come in and out of the regular fleet

MPC § 1135.3(d) contemplates that the Taxi Commission “shall consider the goals and requirements of this Section in deciding whether to approve any vehicle being put into service as a San Francisco taxi that is not included on that year’s ‘Green Vehicle Guide’ list of approved green vehicles...”

The current process for introducing a vehicle into a particular fleet is for the medallion holder and/or color scheme holder and/or driver to go to GTU and obtain airport decals and transponders and have the vehicle inspected by GTU. That process will no longer be in effect.

**Instead after July 1, 2008, every time a vehicle is proposed for addition or replacement by a particular taxicab company, the following process will be in effect:**

1. The designated manager of that company must submit a Vehicle Introduction Form to the Taxi Commission office.
2. The Taxi Commission shall give approval for introduction of the vehicle to the taxicab company if the vehicle would not place the company out of compliance with MPC § 1135.3.
3. Once approval has been provided and communicated to GTU, the color scheme may make an appointment with GTU to have the vehicle inspected and receive transponders and decals, if it passes inspection. Only the designated color scheme manager and/or the medallion holder are authorized to make these requests.
4. GTU shall communicate to the Taxi Commission that the vehicle has passed inspection.

Various rule changes are necessary to carry out the program. Specifically, Rule 4.A.6 must be amended, Rules 4.A.8, 5.B.1, 5.B.3, and 5.B.8 must be deleted, and Sections 5.D and 5.G must be deleted and replaced with the sections below.

See proposed amendment to Rule 4.A.6:

*Whenever a Medallion Holder replaces a taxicab vehicle with another taxicab vehicle, the replacement vehicle must be inspected and approved by the Taxi Commission or its designee prior to use in accordance with the procedures established in Section 5.G of these Rules and Regulations.*

It is also proposed that Sections 5.D and 5.G be deleted in their entirety and replaced with the following Sections. Please see the Amended Resolution for exact text. Please note that two Resolutions are submitted with regards to these proposals. One of them was noticed on June 2, 2008, but an Amended Resolution was noticed on June 5, 2008 and is submitted for the Commission's action at a future meeting.

## **Penalties for Non-Compliance**

With the new procedure for introduction of vehicles into the fleet, it is anticipated that companies will not have the opportunity to be out of compliance with the program. However, some companies might still resort to switching identifying decals on vehicles after inspection, attempting to switch decals and transponders on vehicles, or other practices that will bring them out of compliance.

The Commission, in partnership with SFPD and GTU, will conduct random surprise inspections at least four times between July 1, 2008 and July 1, 2009. Any company that has introduced any vehicle into the fleet for any reason without following the procedures described above, or in violation of the Rules and Regulations, will face penalties according to the structure outlined in the Penalty Structure Memorandum and Resolution.

The Director and the Commission will impose penalties in accordance with the procedures established in MPC § 1188.



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JORDANNA THIGPEN, ACTING EXECUTIVE DIRECTOR

**To: Honorable Commissioners**  
**From: Jordanna Thigpen and Scott Leon**  
**Re: Penalty Structure for the Clean Air Taxi Program**  
**Date: June 5, 2008**

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### **Due Notice and Outreach to Color Schemes**

The Taxi Commission will implement a fair and sound penalty structure for the Clean Air Taxi Program. Notice has been provided to all color schemes for many months on agendas, through legislation, in the media, and through several pieces of correspondence from this office.

The Taxi Commission's Outreach Coordinator Tamara Odisho and other members of the Taxi Commission staff will assist color schemes to fully comply with the Program as follows:

- Keep our website up to date regarding the Clean Air Taxi Program
- Educate and promote the Clean Air Taxi Program with informational forums and Q&A sessions
- Assist smaller companies who need the additional help by reviewing the sample templates for vehicle replacement plans
- As possible, apply for grant funding from BAAQMD and potentially other agencies on behalf of taxi companies that indicate an intention to comply and follow existing Rules and Regulations, to assist in the purchase of compliant vehicles

### **Proposed Penalty Structure**

Taxi companies failing the average of more than 38 tons per vehicle per year after an annual or bi-annual inspection shall be subject to administrative penalties under the procedures established in MPC § 1188. Depending on the company's vehicle fleet size, the assessed penalties should incrementally be raised up to ten times (10x) per medallion with a reasonable capped penalty amount. For purposes of assessing penalties, company fleet size shall be distinguished as follows:

- 1 to 30 medallions = Small
- 30 to 75 medallions = Medium
- 75+ medallions = Large

	Small		Medium		Large		
ABC	1	Gold	2	Arrow	70	DeSoto	120
Alliance	5	Star	4	Bay	61	Luxor	205
American	15	Green	1	B&W	69	Yellow	497
Best	2	KSJ	1	National	66		
Big Dog	23	Lucky	3	Regents	35		
Central	1	Max	21	Royal	51		
Comfort	1	Metro	2	Town	58		
Delta	19	SF	10	Taxi	33		
Executive	1	SF Taxi	2	United			
Fog City	20	Six2Six	2				
		USA	2				

Companies will be inspected once annually according to the Commission's inspection schedule, but if a violation is noted, they will be inspected again within six months. The Director and the Commission may impose either penalty or both at the same time. The penalties will be progressive as follows:

### **First Offense Penalties**

#### **Penalty 1A – First violation:**

- Small companies will be fined \$2500 per medallion but cannot exceed \$10K for first violation.
- Medium companies will be fined \$2500 per medallion but cannot exceed \$30K for the first violation.
- Large companies will be fined \$2500 per medallion but cannot exceed \$55K for the first violation

#### **Penalty 1B – First violation:**

- Small companies will be stripped of their airport decals for six months.
- Medium companies will be stripped of their airport decals for six months.
- Large companies will be stripped of their airport decals for six months.

### **Second Offense Penalties**

#### **Penalty 2A – Second violation (at next inspection or within six months of first:)**

- Small companies will be fined \$4000 per medallion but cannot exceed \$10K for the second violation.
- Medium companies will be fined \$4000 per medallion but cannot exceed \$30K for the second violation.
- Large companies will be fined \$4000 per medallion but cannot exceed \$55K for the second violation.
- Violation will result in a second inspection of the fleet within six months

#### **Penalty 2B – Second violation (at next inspection or within six months of first:)**

- Small companies will be stripped from their airport decals for one year.
- Medium companies will not be allowed color scheme changes for one year + they will be stripped from their airport decals for six months.

- Large companies will not be allowed color scheme changes for one year + they will be stripped from their airport decals for six months.

### **Third Offense Penalties**

#### **Penalty 3A – Third violation (at next inspection or within six months of second:)**

- Small companies will be fined \$5000 per medallion but cannot exceed \$10k for the third violation.
- Medium companies will be fined \$5000 per medallion but cannot exceed \$30k for the third violation.
- Large companies will be fined \$5000 per medallion but cannot exceed \$55k for the third violation.

#### **Penalty 3B – Third violation (at next inspection or within six months of second:)**

- Small companies – Proceed revocation of their color scheme permit.
- Medium companies – Proceed revocation of their color scheme permit.
- Large companies – Proceed revocation of their color scheme permit.



CITY AND COUNTY OF  
SAN FRANCISCO

TAXI COMMISSION  
MAYOR GAVIN NEWSOM

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JORDANNA THIGPEN, ACTING EXECUTIVE  
DIRECTOR

July 8, 2008

At the meeting of the Taxi Commission on Tuesday, July 8, 2008 the following resolution(s) and finding(s) were adopted:

**AMENDED RESOLUTION NO. 2008-XX**

DELETING 4.A.8, 5.B.1, 5.B.3, AND 5.B.8; AMENDING 4.A.6; REPLACING SECTIONS 5.D AND 5.G OF THE TAXICAB/RAMPED TAXI RULES AND REGULATIONS:

**WHEREAS**, the Taxi Commission wishes to delete Rules 4.A.8, 5.B.1, 5.B.3, and 5.B.8 of the Rules and Regulations as they are duplicative of other provisions and/or rendered obsolete by amendments; and

**WHEREAS**, the Taxi Commission wishes to amend Rule 4.A. 6as described below;  
and

Whenever a Medallion Holder replaces their taxicab vehicle with ~~a new~~ another taxicab vehicle, the ~~new vehicle replacement~~ vehicle must be inspected and approved by the Taxi Commission or ~~their~~ its designee prior to use *in accordance with the procedures established in Section 5.G of these Rules and Regulations.* ~~If the taxicab vehicle is replaced by another previously inspected taxicab, the medallion holder shall ensure that the Taxicab Commission or their designee has received written notifications containing all changes in vehicle, decal, and taximeter information.~~

**WHEREAS**, the Taxi Commission recommends deleting Sections 5.D and 5.G of the Taxicab/Ramped Taxi Rules and Regulations and replacing them as described below; and

**5.D Spare Vehicles**

1. **SPARE DESIGNATION.** Only a vehicle in its sixth model year may operate as a spare vehicle. Once a vehicle is designated as a spare, it may not be re-introduced to the fleet except by approval of the Commission or its designee for emergency circumstances. All spare vehicles must be registered and insured under the color scheme as required by these Rules, the Municipal Police Code, and the laws of the State of California.



2. **SPARE OPERATION:** A spare vehicle may operate with a sedan medallion borrowed from an out-of-service vehicle. A spare vehicle may operate with a ramp medallion as defined in Municipal Police Code § 1148.6 notwithstanding the provisions of this Section.
3. **SPARE TIME RESTRICTIONS.** Spare vehicles shall only be used to replace temporarily disabled medallion vehicles. Color schemes shall notify the Commission or its designee if a spare vehicle will be operated for more than seventy-two (72) hours. A spare vehicle may not operate in place of a single regular vehicle more than thirty (30) days in accordance with Section 5.G.8. During any the time a spare vehicle is operating, the regular vehicle it is replacing shall be available for inspection by the Commission or its designee.
4. **SPARE NUMBERS, ISSUANCE.** Each Color Scheme shall be issued a series of "spare numbers" at the ratio of one (1) spare number for every five (5) vehicles operating at that Color Scheme.
5. **SPARE VEHICLES, STORAGE.** All spare vehicles shall be kept on the Color Scheme Holder's designated business property when not in actual use with a medallion.

#### **Section 5.G Inspections:**

1. **INSPECTIONS REQUIRED, PASSING INSPECTIONS.** There shall be inspections of all taxicab vehicles by the Taxi Commission or its designee. Inspections shall be done every six months for spare vehicles and every twelve months for regular vehicles at a date and time designed by the Commission or its designee, and at any other time deemed necessary. If the Commission or its designee determines that the vehicle has passed inspection, an SFIA decal shall be affixed by the Commission or its designee to the vehicle, authorizing the vehicle to be operated for the time period specified on the decal. The decal shall be conspicuously displayed on the taxicab vehicle at all times or the vehicle shall be considered to be operating without a permit in violation of these Rules and the Municipal Police Code. No SFIA decal may be placed or removed on any vehicle except by the Commission or its designee.
2. **DOCUMENTS REQUIRED.** At the time of the scheduled inspection of the taxicab vehicle, the Color Scheme Holder must submit the following:
  - a. Valid and current State of California vehicle registration card which complies with Rule 4.B.3.
  - b. Proof of insurance meeting the requirements of the Municipal Police Code, the Vehicle Code, and the laws of the State of California concerning public passenger vehicles.
  - c. State of California Certificate of Adjustment Lamp Adjustment, which is valid at the time of the annual inspection.
3. **MILEAGE.** Any vehicle that has reached 200,000 miles, including a London Taxi or other purpose-built vehicle, must pass inspection every six months to be operated as a taxicab. No vehicle may be operated as a taxicab after the vehicle has reached 350,000 miles except for London Taxis and other purpose-built vehicles placed into service before January 24, 2006, which have no cap.

4. **AGE.** Beginning January 1, 2009, no vehicle which is older than five (5) model years may serve as a taxicab. Vehicles may serve as spare vehicles according to Section 5.D of these Rules and Regulations.
5. **NEW VEHICLES.** If a new vehicle is purchased for use as a taxicab vehicle, the taxicab operator may furnish a written certificate of compliance issued by the automobile dealership in lieu of the required documents above, provided that the certificate is dated within sixty (60) days of the annual inspection. The automobile dealership must be certified by the State of California as an official inspection station.
6. **USED VEHICLES.** Starting milcage may not be more than 60,000 miles when a vehicle is placed into service. As of July 1, 2008, no vehicles which have been designated as "Salvage" by the California Department of Motor Vehicles may serve as taxicabs for any reason.
7. **ORDERED INSPECTIONS.** A Color Scheme Holder shall make any vehicle available for inspection when ordered by the Taxi Commission or its designee. If a Color Scheme Holder fails to make a vehicle available for inspection, or if the Taxi Commission or its designee determines that a vehicle is not in compliance with these Regulations, the Commission or its designee may order the vehicle to be removed from service until it passes inspection.
8. **FAILING INSPECTIONS.** If, on inspection, the Commission or its designee determines that a vehicle does not meet the requirements described in these Rules and Regulations or in the Municipal Police Code, the vehicle may fail inspection and may be ordered out of service until the condition(s) are corrected. A failed vehicle must be re-inspected and approved by the Commission or its designee before being returned to service and must pass another inspection in six months from the date of return to service. If a vehicle does not return to service within thirty (30) days it shall be permanently out of service.
9. **PERIODIC INSPECTIONS.** The Commission or its designee shall conduct periodic inspections of the vehicles for compliance with these Regulations.

**THEREFORE BE IT RESOLVED**, that the Rules and Regulations Subcommittee recommends adopting the changes described above.

**AYES:**  
**ABSENT:**

**NOES:**  
**RECUSED:**

Respectfully submitted,

Jordanna Thigpen  
Acting Executive Director



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JORDANNA THIGPEN, ACTING EXECUTIVE  
DIRECTOR

June 10, 2008

At the meeting of the Rules and Regulations Subcommittee on Tuesday, June 10, 2008 the following resolution(s) and finding(s) were adopted:

**RESOLUTION NO. 2008-XX**

REPLACING SECTIONS 5.D AND 5.G OF THE TAXICAB/RAMPED TAXI RULES AND REGULATIONS:

**WHEREAS**, the Rules and Regulations Subcommittee recommends replacing Sections 5.D and 5.G of the Taxicab/Ramped Taxi Rules and Regulations as described below; and

**5.D Spare Vehicles**

1. **SPARE DESIGNATION.** Only a vehicle in its sixth model year may operate as a spare vehicle. Once a vehicle is designated as a spare, it may not be re-introduced to the fleet except by approval of the Commission or its designee for emergency circumstances. All spare vehicles must be registered and insured under the color scheme as required by these Rules, the Municipal Police Code, and the laws of the State of California.
2. **SPARE OPERATION:** A spare vehicle may operate with a sedan medallion borrowed from an out-of-service vehicle. A spare vehicle may operate with a ramp medallion as defined in Municipal Police Code § 1148.6 notwithstanding the provisions of this Section.
3. **SPARE TIME RESTRICTIONS.** Spare vehicles shall only be used to replace temporarily disabled medallion vehicles. Color schemes shall notify the Commission or its designee if a spare vehicle will be operated for more than seventy-two (72) hours. A spare vehicle may not operate in place of a single regular vehicle more than thirty (30) days in accordance with Section 5.G.8. During any the time a spare vehicle is operating, the regular vehicle it is replacing shall be available for inspection by the Commission or its designee.
4. **SPARE NUMBERS, ISSUANCE.** Each Color Scheme shall be issued a series of "spare numbers" at the ratio of one (1) spare number for every five (5) vehicles operating at that Color Scheme.

5. **SPARE VEHICLES, STORAGE.** All spare vehicles shall be kept on the Color Scheme Holder's designated business property when not in actual use with a medallion.

#### **Section 5.G Inspections:**

1. **INSPECTIONS REQUIRED, PASSING INSPECTIONS.** There shall be inspections of all taxicab vehicles by the Taxi Commission or its designee. Inspections shall be done every six months for spare vehicles and every twelve months for regular vehicles at a date and time designed by the Commission or its designee, and at any other time deemed necessary. If the Commission or its designee determines that the vehicle has passed inspection, an SFIA decal shall be affixed to the vehicle, authorizing the vehicle to be operated for the time period specified on the decal. The decal shall be conspicuously displayed on the taxicab vehicle at all times or the vehicle shall be considered to be operating without a permit in violation of these Rules and the Municipal Police Code.
2. **DOCUMENTS REQUIRED.** At the time of the scheduled inspection of the taxicab vehicle, the Color Scheme Holder must submit the following:
  - a. Valid and current State of California vehicle registration card which complies with Rule 4.B.3.
  - b. Proof of insurance meeting the requirements of the Municipal Police Code, the Vehicle Code, and the laws of the State of California concerning public passenger vehicles.
  - c. Valid and current Brake Certificate issued by an official inspection station certified by the State of California within sixty (60) days prior to inspection.
3. **MILEAGE.** Any vehicle that has reached 200,000 miles, including a London Taxi or other purpose-built vehicle, must pass inspection every six months to be operated as a taxicab. No vehicle may be operated as a taxicab after the vehicle has reached 350,000 miles except for London Taxis and other purpose-built vehicles placed into service before January 24, 2006, which have no cap.
4. **AGE.** Beginning January 1, 2009, no vehicle which is older than five (5) model years may serve as a taxicab, including London Taxis and other purpose-built vehicle. Vehicles may serve as spare vehicles according to Section 5.D of these Rules and Regulations.
5. **NEW VEHICLES.** If a new vehicle is purchased for use as a taxicab vehicle, the taxicab operator may furnish a written certificate of compliance issued by the automobile dealership in lieu of the required documents above, provided that the certificate is dated within sixty (60) days of the annual inspection. The automobile dealership must be certified by the State of California as an official inspection station.
6. **USED VEHICLES.** Starting mileage may not be more than 60,000 miles when a vehicle is placed into service. No vehicles which have been designated as "Salvage" by the California Department of Motor Vehicles may serve as taxicabs.
7. **ORDERED INSPECTIONS.** A Color Scheme Holder shall make any vehicle available for inspection when ordered by the Taxi Commission or its designee. If

a Color Scheme Holder fails to make a vehicle available for inspection or if the Taxi Commission or its designee determines that a vehicle is not in compliance with these Regulations, the Commission or its designee may order the vehicle to be removed from service until it passes inspection.

8. **FAILING INSPECTIONS.** If, on inspection, the Commission or its designee determines that a vehicle does not meet the requirements described in these Rules and Regulations or in the Municipal Police Code, the vehicle may fail inspection and may be ordered out of service until the condition(s) are corrected. A failed vehicle must be re-inspected and approved by the Commission or its designee before being returned to service and must pass another inspection in six months from the date of return to service. If a vehicle does not return to service within thirty (30) days it shall be permanently out of service. The decision to pass or fail a vehicle shall be at the sole discretion of the Commission or its designee.
9. **PERIODIC INSPECTIONS.** The Commission or its designee shall conduct periodic inspections of the vehicles for compliance with these Regulations.

**THEREFORE BE IT RESOLVED,** that the Rules and Regulations Subcommittee recommends adopting the changes described above.

**AYES:**  
**ABSENT:**

**NOES: 0**  
**RECUSED: 0**

Respectfully submitted,

Jordanna Thigpen  
Acting Executive Director