

DRAFT TRAINING BULLETIN

11-XX

ATTENDED TAXI VEHICLES LOADING AND UNLOADING PASSENGERS

SAN FRANCISCO TAXI VEHICLES THAT ARE LOADING OR UNLOADING PASSENGERS, WITH THE DRIVER ATTENDING THE VEHICLE, SHOULD NOT BE CITED FOR THE FOLLOWING VIOLATIONS:

- **TRANSPORTATION CODE § 7.2.22/TRAFFIC CODE § 37C (STREET CLEANING)**
- **TRANSPORTATION CODE § 7.2.23/TRAFFIC CODE § 202, 202.1 (PAYMENT OF PARKING METER)**
- **TRANSPORTATION CODE § 7.2.25/TRAFFIC CODE § 38A (PARKING IN RED ZONES)**
- **TRANSPORTATION CODE § 7.2.28/TRAFFIC CODE § 38D (PARKING IN GREEN ZONES)**
- **TRANSPORTATION CODE § 7.2.39/TRAFFIC CODE § 53A (PARKING IN TRANSIT-ONLY LANES)**
- **CALIFORNIA VEHICLE CODE § 21211A (PARKING IN A BIKE LANE)**
- **CALIFORNIA VEHICLE CODE § 22500I (PARKING IN A BUS ZONE)**

SAN FRANCISCO TAXI VEHICLES THAT ARE LOADING OR UNLOADING IN THE MARKED CROSSWALK AT MARKET STREET AND EMBARCADERO SHOULD NOT BE CITED FOR CALIFORNIA VEHICLE CODE § 22500B (BLOCKING A CROSSWALK)

SAN FRANCISCO TAXI VEHICLES THAT ARE LOADING OR UNLOADING PASSENGERS WITH DISABILITIES IN A BLUE ZONE SHOULD NOT BE CITED FOR A VIOLATION OF CALIFORNIA VEHICLE CODE § 22507.8 (PARKING IN A BLUE ZONE)

IN ACCORDANCE WITH TRANSPORTATION CODE SECTION 1005, TAXICABS MAY STOP IN UNMARKED CROSSWALKS OR IN FRONT OF A DRIVEWAY TO LOAD OR UNLOAD PASSENGERS, AND SHOULD NOT BE CITED FOR VIOLATION OF TRANSPORTATION CODE § 7.2.24 (PARKING IN DRIVEWAYS)

A TAXI VEHICLE THAT IS UNNECESSARILY OBSTRUCTING TRAFFIC, SUCH AS FAILING TO MAKE AN EFFORT TO PULL OVER INTO AN AVAILABLE SPACE OR FAILING TO MOVE WHEN IT IS SAFE TO DO SO MAY BE CITED FOR VIOLATION OF TRANSPORTATION CODE § 7.2.70/TRAFFIC CODE § 70, 71B (VEHICLE OBSTRUCTING TRAFFIC)

Gavin Newsom | Mayor
Tom Nolan | Chairman
Dr. James McGay Jr. | Vice-Chairman
Cameron Banks | Director
Shirley Brayer Black | Director
Malcolm Hainisch | Director
Jerry Lee | Director
Bruce Ols | Director
Nathaniel P. Ford Sr. | Executive Director/CEO

SAN FRANCISCO TAXI MEDALLION LEASE AGREEMENT**I. Essential Lease Terms**

Medallion Number: _____ (**"the Medallion"**)

Lessor Name: _____

Lessor Mailing Address: _____

Lessor Email Address: _____

Lessor phone number(s): _____

Lessee Name: _____

Lessee Mailing Address: _____

Lessee Email Address: _____

Lessee phone number(s): _____

Lessee A-Card Number: _____

Designated Primary Vehicle: _____ (**"the Vehicle"**)

See Attachment A, and incorporated by reference as though fully set forth herein.

Lease Duration: _____ (**"the Term"**)

☐ This Lease shall be for a Term of _____, starting on (date) _____ and ending on (date) _____.

[three year maximum]

OR

☐ This Lease shall start on (date) _____ and shall continue in force for the service life of the Vehicle as determined by the SFMTA.

Now, therefore, in consideration of the mutual covenants herein, Lessor and Lessee (**"the Parties"**) agree as follows:

II. Definition of Terms

Any word used in this Lease that is not defined in this Lease shall have the meaning assigned by Article 1100 of the San Francisco Transportation Code.

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Prepared for Taxi Advisory Council meeting of January 24, 2011

III. Payments

- (a) **Amount of Payment.** Lessee shall pay Lessor the amount of \$_____ upon signing this Lease, to be applied to the first and last ____ week's/ ____ month's lease, and \$_____ per ☐ month/☐ week thereafter.
- (b) **Method of Payment.** Lessee shall pay the Lessor the amount of \$_____ (specify maximum) per week/month for the use of the Medallion in advance. Payment shall be made to Lessor at the address listed above and may be made by (check all that apply):
- | | |
|--|---|
| <input type="checkbox"/> Personal check | <input type="checkbox"/> By first-class mail to the address above |
| <input type="checkbox"/> Certified/cashier's check | |
| <input type="checkbox"/> Credit card | <input type="checkbox"/> In person at: [fill in location] |
| <input type="checkbox"/> Money order | <input type="checkbox"/> Electronic payment |
| <input type="checkbox"/> Cash | <input type="checkbox"/> Other: _____ |
- (c) **Timing of Payment.** Payment shall be made on the ____ the day of each month; or weekly each _____ [fill in day of the week]. If Lessee fails to make payment on time, Lessor may collect a \$_____ late fee for each late payment.
- (c) **Security Deposit.** If Lessor is the owner of the Vehicle, Lessee shall pay a security deposit of \$_____ [not to exceed \$500]. Lessor shall return the full amount of the security deposit within 30 days of termination of the Lease, less any amounts authorized to be retained by the Lessor pursuant to this Lease.
- (d) **Collection Costs.** Either party may charge the other any costs incurred for the purpose of enforcing the terms of this Lease by any legal means whatsoever, including but not limited to the cost of collecting of payments due under this Lease, reasonable attorney's fees and court costs.
- (e) **Insurance Proceeds.** Any monies received as a result of insurance claims or damage for which Lessee has paid shall be paid to Lessee, less any attorneys' fees or other expenses incurred by the Lessor in connection with the resolution of the claim.

IV. Pro-Rated Payments

In the event that any act or omission by the Lessor results in the Medallion being suspended or revoked or otherwise results in the Lessee being unable to conduct the business of operating the vehicle as a San Francisco taxi in accordance with the terms of this Lease, the Lessee may deduct from the amount of lost time on a pro-rated basis from any payment that the Lessee owes to the Lessor.

V. Operational Costs and Responsibilities

(a) The Parties shall be responsible for the operation costs listed below, and the party with the larger percentage of responsibility for each item of equipment, task or condition shall also

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be responsible for acquisition and maintenance of that equipment, the performance or execution of that task or repairing or maintaining that condition.

Description	Anticipated Amount	Lessor Responsible	Lessee Responsible
Vehicle purchase/payments			
Vehicle license & registration			
Medallion Permit Fee		X	
Damage Repair: no fault of either Party			
Damage Repair: Operator Fault			
Meter/ITE installation			
Color Scheme radio fee			
Loss or breakage of required equipment inside the Vehicle			
Insurance: Comprehensive (optional)			
Insurance: Deductible Payments			
Withholding or payment of local, state or federal taxes associated with the operation of the Vehicle or the payment of drivers pursuant to this Lease			
Vehicle Annual Inspection Fees			
Fines related to the Lessee's operation of the Vehicle (including operation by Lessee's drivers)			X
Fines related to Lessor's operation of the Vehicle or failure to comply with applicable laws and regulations.		X	

- (b) Lessee acknowledges and agrees that the gate fee Lessee charges to drivers of the Vehicle may not exceed the posted gate fees at the color scheme designated in Section VII. **This is a material term of this agreement and violation of this Section V(b) is grounds for immediate termination of this lease and disciplinary action against the Lessee by the SFMTA.**
- (c) Lessor shall be entitled to operate the Vehicle according to the following schedule: _____. Any change to this schedule shall be provided to Lessee at least ____ days in advance of the change, or as soon as is feasible in the event of the Lessor's illness. Lessor shall be responsible for the gate fee for any shift in which timely notice of a schedule change was not provided to Lessee. Lessor shall pay \$_____ per shift as a gate fee. This schedule may be amended by mutual agreement of the parties. A form of Notice of Schedule Change is attached to this Lease as **Appendix B**.

VI. Records and Receipts

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- (a) Each party shall provide the other with receipts for any payments made pursuant to this Lease. A cancelled check or deposit slip shall be acceptable as a receipt for the purpose of this Paragraph.
- (b) Lessor shall file three signed originals of this Lease and any amendments to this Lease with the SFMTA. This lease shall not take effect until all signed originals are date-stamped by SFMTA Taxi Services. Lessor shall be responsible for providing Lessee with a signed and date-stamped Lease.

VII. Color Scheme Affiliation

- ☐ The Parties acknowledge that the Medallion will be operated with _____ (color scheme name). Lessor retains the right to transfer the affiliation of the Medallion during the term of this Lease. Lessor shall give Lessee same day notice of Lessor's filing of a color scheme transfer application, and Lessor is responsible for all costs of transferring the Medallion to a new color scheme, and any period during which the transfer causes Lessee to lose access to a vehicle shall be deducted from Lessee's payments due under this Lease on a pro-rata basis.

OR

- ☐ The Medallion may not be transferred to a new color scheme during the term of this Lease except with the prior written consent of both parties to this Lease.

VIII. Transfer of Medallion Ownership

- (a) **Voluntary Transfer.** The parties acknowledge and agree that this Lease shall remain in effect through its complete term notwithstanding the transfer of the Medallion during the Lease term. Lessor is responsible for ensuring that any transfer agreement binds the new owner to the conditions of the Lease upon transfer for the remainder of the Lease term. Any provision of any transfer agreement that violates this requirement is null and void.
- (b) **Involuntary Transfer.** Lessee understands that in the event of involuntary transfer of the Medallion, such as Lessee's death or foreclosure or revocation of the Medallion, this Lease may be void depending on the circumstances of the involuntary transfer. This Lease shall continue during any period of time that the Medallion has not been re-assigned to a new Medallion owner if the SFMTA authorizes continued operation of the Medallion pending qualification of a new owner, and during any such period Lessee shall make Lease payments in accordance with the requirements of Article 1100 of the Transportation Code.

IX. Reporting

- (a) Lessee shall report any collisions or other events causing damage to the vehicle to appropriate insurance representatives. Both parties shall give full and complete cooperation to the investigation and defense of insurance claims.
- (b) Lessee shall promptly inform Lessor of problems or issues associated with the Vehicle or Medallion that require Lessor action.

X. Advertising

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Lessor and Lessee agree that (check one):

- ☐ There shall be NO advertising material attached to the exterior of the vehicle.
- ☐ Lessee shall bear all costs and receive all proceeds from advertising attached to the exterior of the vehicle.
- ☐ Lessor and Lessee shall divide all advertising costs and revenues from advertising attached to the exterior of the vehicle as follows:

XI. Authorized Drivers

Lessee agrees that the Vehicle may only be operated by a San Francisco Driver Permit Holder (as defined in Transportation Code Article 1100) on the driver roster of the color scheme designated in Section VII. Lessee must execute a Shift Agreement with each driver of the Vehicle and file the Shift Agreement and any amendments thereto with the SFMTA within ten days of execution. A form of Shift Agreement is attached hereto as **Appendix C** and incorporated by reference as though fully set forth herein, and filed with the SFMTA. Any violation of this requirement shall automatically void this Lease. **Lessee shall be fully responsible for any insurance claims denied or any incident, injury, damages or discipline involving operation of the Vehicle by a driver who is not authorized to operate the Vehicle pursuant to this Lease.**

XII. Employment Status

By executing this Lease, the parties acknowledge and agree that there does not exist between them the relationship of employer-employee, principal-agent, or master-servant, either express or implied, but that relationship of the parties is strictly that of Lessor and Lessee, and that Lessee is not eligible for federal or state unemployment benefits.

XIII. Warranties by Lessor

Lessor warrants that:

1. Lessor is the owner of the Medallion and further warrants that there are no claims, suits or judgments against the Medallion arising out of the Lessor's use and operation of the Medallion prior to the date of this Lease.
2. Except as expressly provided herein, Lessee shall be free from interference or control on the part of the Lessor in the operation of the Vehicle for the Term of this Lease.

XIV. Termination

- (a) This Lease may be terminated for cause by either party with 30 days' written notice to the other party and the SFMTA, except that non-payment of amounts due under the Lease (defined as payment that is more than seven days late three times within any 12-month period) shall require 14 days' written notice to the non-paying party and the SFMTA. The 14 days shall begin upon receipt of a certified mail or in-person delivery of notice of termination to a party at the address listed above. A form of Notice of Termination is attached to this Lease as **Appendix D**.

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- (b) Termination of this Lease for any reason shall require prior written notice and prior approval of the SFMTA in accordance with this Section. A form of Notice of Termination is attached to this Lease as **Appendix D**.
- (c) "Cause" for termination for the purpose of this Section shall include but not be limited to:
 - 1. Non-payment of any amount owing under this Lease or other material breach of the terms of this Lease;
 - 2. Adoption of any law or regulation that precludes the parties from conducting business as a San Francisco taxi in accordance with the provisions of this Lease;
 - 3. At Lessee's option, transfer of affiliation of the Medallion to a new Color Scheme is cause to terminate this Lease;
 - 4. At Lessee's option, voluntary or involuntary transfer of the Medallion to a new owner is good cause to terminate this Lease.
- (d) If the Vehicle is owned by Lessee and this Lease is (i) terminated by Lessor, or (ii) if Lessor changes the Color Scheme affiliation of the Medallion prior to the end of the service life of the Vehicle or transfers the Medallion to a new owner and Lessee elects to terminate this Lease, then Lessor shall owe liquidated damages to Lessee according to the following Vehicle depreciation schedule:

Year 1:
Year 2:
Year 3:
- (e) This Lease shall terminate automatically upon revocation or expiration of Lessee's SFMTA driver permit or upon Lessee's removal from the driver roster by the color scheme designated in Section VII. Upon automatic termination the parties shall have no further rights or obligations under this Lease except as expressly provided herein.
- (f) Survival. The following provisions shall survive termination of this Lease: III(c), III(d), III(e), IX(a), XII, XV, XX, XXI.

XV. Indemnification

Each party (Indemnitor) shall indemnify the other party (Indemnitee) for all costs for which the Indemnitor is responsible pursuant to this Lease or applicable laws and regulations.

XVI. Notices

All notices, requests, demands and other communications required or permitted to be made hereunder shall be in writing and shall be deemed duly given if hand delivered against a signed receipt therefore, sent by registered or certified mail, return receipt requested, first class postage prepaid, or sent by nationally recognized overnight delivery service to the principal place of business of each party as defined above.

XVII. Compliance with Laws and Regulations

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The parties acknowledge that this agreement does not alter or supplement the duties and obligations of either party pursuant to the San Francisco Municipal Code, and that one or both parties may be liable for penalties, fines, and fees payable to the SFMTA pursuant to such rules and regulations. Both parties agree to comply with any and all applicable laws and regulations during the term of this Lease, whether previously or subsequently enacted, and each party shall indemnify the other from any and all costs and expenses caused by a violation of said laws and regulations.

XVIII. Modification

This Lease may not be modified, nor may any of its terms be waived, except by written agreement signed by both Parties and filed in advance with the SFMTA.

XIX. Assignment

The Parties' rights and obligations under this Lease are personal to the Parties, and this Lease may not be assigned by either party, nor shall this Lease be subject to encumbrance by or the claims of creditors of either party without the prior written approval of the SFMTA.

XX. Dispute Resolution

The parties shall refer any dispute that arises pursuant to this Lease to non-binding mediation prior to initiating any judicial action to enforce its terms, and shall share the costs of mediation equally.

XXI. Applicable Law

Any and all disputes, controversies or claims arising under or in connection with this lease agreement or its performance shall be decided exclusively by the laws of the State of California.

XXII. Severability

If any provision of this lease agreement shall be held to be invalid, void or unenforceable, the remaining provisions hereof shall in no way be affected or impaired and such remaining provisions shall remain in full force and effect.

XVIII. Entire Agreement

This Lease constitutes the entire understanding between the parties as to the Lease of the Medallion, and merges all prior discussions between them. None of the parties shall be bound by any conditions, definitions, warranties, understandings or representations other than expressly provided herein.

IN WITNESS WHEREOF, and intending to be legally bound pursuant to the laws of the City of San Francisco and the State of California the parties have executed this Agreement on the day and year written above. (signatures)

SAN FRANCISCO TAXI MEDALLION SALES PILOT PROGRAM

01/21/2011

SFMTA Sales to Buyers: (\$250,000 less 5% = 237,500): **(12)** **\$2,833,557.30**

Seller to Buyer 15% to SFMTA: (15% of \$250,000 = \$37,500): **(25)** **\$ 937,500.00**

5% Sale Price to Drivers' Fund: (5% of \$250,000 = \$12,500 each): **37)** **\$ 462,500.00**

Total Medallions Transferred: 37

Total Funds Deposited: \$4,233,557.30

Taxi Wrap Fund Balance: **\$ 100,606.00**

MEDALLION TRANSFERS

Medallion Holder to New Buyer: **25**

SFMTA held Medallion to New Buyer: **12**

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MEDALLION SELLERS QUALIFICATIONS

Medallion Sellers Over 70 Years of Age: **34**

Medallion Sellers Less than 70 with Permanent Disability: **3**

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MEDALLION SALES PILOT PROGRAM STATISTICS UPTO C.O.B. 21ST JANUARY

Medallion Sales Investigations: **15**

Medallion Sales Qualification Approved: **13**

Medallion Sales Transactions Closed: **6**

New Medallion Sales Investigation Opened: **11**

NUMBER OF MEDALLION HOLDERS AGE 60 TO 64 **235**

NUMBER OF MEDALLION HOLDERS AGE 65 TO 69 **174**

IF PROGRAM AGE EXPANDED TO AGE 60 **409**

Waiting List Movement Statistics

As of January 20, 2011, the waitlist indicates the following data:

WL #	Applicant	As of 9/2/10	As of 11/2/10	As of 1/21/11	Difference since 9/2/10
6-965	William G. Mounsey	249	221	220	29
8-721	Dmitry Nazarov	2003	1952	1920	82
9-366	John K. Han	2642	2590	2558	84

In Limbo

Four (4) MSPP qualified applicants have not closed due to banking issues
One regular/ramp applicant has an open case with the Board of Appeals

Breakdown of Movement

MSPP Medallions

Approved	Sold	Denied	Pending
41	37	2	20

Sample of Movement

WL #	Position on 9/2/10	Position on 11/2/10	Position on 1/21/11	Previous Movement	Current Changes	YTD Movement
6-816	100	79	77	21	2	23
7-217	500	469	464	31	4	36
7-717	1000	951	934	49	17	66
9-222	2500	2449	2416	51	33	84
9-723	3000	2945	2912	55	33	88

Calculations

(Lost income to drivers at top of list)

Number of Pre-Pilot Program medallions: (July '09 – Feb. '09)	18
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Total months delayed:	113
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Current minimum monthly medallion income:	\$2,000
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Total minimum lost income to drivers:	$113 \times \$2,000 =$ \$226,000
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Average minimum lost income per driver:	$\$226,000 \div 18 =$ \$12,555
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Number of Pilot Program medallions: (Issued 10/19/10)	19
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Total Months delayed:	208
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Total minimum lost income to drivers:	$208 \times \$2,000 =$ \$461,000
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Average lost income per driver:	$\$461,000 \div 19 =$ \$21,895
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Number of currently un-issued medallions	22
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Total delayed months	169
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Average delayed months per medallion	7.7
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Total minimum lost income:	$169 \times \$2,000 =$ \$338,000
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Average loss per driver:	$\$338,000 \div 22 =$ \$15,364
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Pilot Program Effects on Drivers

Nearly a year after its launching, many effects of the Pilot Program can still only be estimated. However, it has so far shown to affect drivers on and off the list in various ways. I have broken these down into categories.

1. Those affected before the Pilot Program.
2. Those affected currently.
3. Those who will be affected in the future at this rate.

Pre-Pilot Program Effects:

Even before the Pilot Program was put into place, drivers on the waiting list were affected by having to wait longer for their medallions. Many medallions were not issued due to lack of sufficient staffing at SFMTA and in anticipation of a Pilot Program. Staffing seemed to be held back until the Pilot Program started producing revenue, thus slowing the process even more.

From the figures supplied by the SFMTA, I have calculated the average loss of income to the 18 drivers who were issued their medallions before February 26, 2010 due to the delay in their issuance.

I made my calculations starting July 1st of 2009, allowing time for the transition into the SFMTA. I also figured a natural 3 month delay from when a medallion was returned to the SFMTA and when it should normally be re-issued. At \$2,000 a month, each of these drivers averaged a loss of \$12,555 due to the extra wait for their medallions. The average extra wait was about 6 months.

Current Effects:

Drivers on the list have been affected by the extreme atmosphere of uncertainty created by the Pilot Program. There is immense pressure for some to buy, or be left with nothing after waiting years and making their career driving a cab. Many older drivers could have chosen another profession and cannot afford to purchase a medallion or change careers at this late stage in their lives.

Many non-transferable medallions have not been issued due to lack of staffing and preference to those buying medallions. The average number of medallions issued to those at the top of the list each year since 2001 is 52.8. In 2010, 20 non-transferable medallions were issued to those at the top of the list and 10 were sold outright by the SFMTA, these medallions would have otherwise gone to the next 10 qualified drivers on the list. It is hard to calculate how much income is lost by these drivers, but you can figure at least \$2,000 a month, or \$24,000 a year until they receive their medallions.

The 19 medallion holders who received their medallions after the Pilot Program began, experienced average delays of 11 months, or an average loss of \$21,895. For such low income workers, this has an enormous effect on their quality of life.

The Pilot Program has affected drivers on and off the list also, because most new medallion holders who have purchased their medallions have chosen to operate them as owner operator or “affiliate” medallions, leaving far less shifts available for gate and gas drivers. Currently, these figures aren’t available, but

according to company managers and drivers, this is a very significant change. Some drivers have had to switch companies and cannot work their same shifts or enough of them.

Long Term Effects:

As older medallion holders sell their medallions, there will be less medallions going to the list because less medallion holders will have their medallions when they die. Those near the top of the list, who've generally been driving the longest, will have to wait even longer for their medallion, and have less time to enjoy it, IF they ever get one.

If this system continues unaltered, it will not take long until no more medallions will go to those on the list without being purchased. Older, career cabdrivers will not have the time or money to pay off the loan, and almost certainly won't have \$250,000 in cash.

Most cabdrivers lead a fairly day to day life financially, particularly without a medallion. It is especially stressful for older drivers who have been working and waiting for what could be compared in other occupations to tenure, or a management position late in their career, to have this taken away. The disappointment will have a devastating effect on many drivers who have spent most of their lives and ruined their health driving a cab.

On a positive note, the Drivers Fund will likely provide some real assistance in one way or another for drivers without medallions.

Recommendations:

*There needs to be a cap on the number of transferable medallions so that longtime career drivers can still earn their medallions through time on the road. As most current medallion holders have.

*The new streamlined process for issuing medallions is very welcomed and should be used as eagerly with non-transferable medallions as transferable ones.

*Revenue from medallions that are delayed in being issued because of the SFMTA should go to the new medallion holder, minus operating costs.

*Ways should be developed to prevent gate and gas drivers from losing their shifts to affiliate/owner operator and long term lease drivers. The down payment assistance rule is good, and I suggest a 2 year gate and gas requirement before allowing a driver to work for an affiliate or long term lease driver.

*A more permanent solution needs to be decided so that drivers can make informed career decisions, rather than blindly guessing their future opportunities.

*There needs to be greater communication between drivers and the SFMTA. A lot of the angst could be alleviated with better understanding by both parties. I suggest more Town Hall meetings that are well announced.

Pilot Program Effects on Drivers
Taxi Advisory Report 1/10/11
Barry Korengold

Year	Medallions Issued	Top of Waiting List	Transferred	Sold by MTA
2001	83	83		
2002	26	26		
2003	53	53		
2004	28	28		
2005	18	18		
2006	52	52		
2007	56	56		
2008	106	106		
2009	55	55		

Pilot Program Effects on Drivers
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2010	51	20	21	10
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Taxi Advisory Council - Council Liaison Report – Regulatory Reform Update
January 10, 2011
Taxi Services’ Staff Report

Excerpt from Calendar Item submitted to the SFMTA Board for its meeting of January 18, 2011

This legislation accomplishes several primary goals:

- (1) Streamlining the text of regulations governing administrative hearing procedures in order to simplify, clarify and consolidate those provisions.
- (2) Revising taxi vehicle equipment standards. Significant changes contained in this proposed amendment include changes to vehicle age and mileage limitations.
- (3) Adopting a requirement that all San Francisco taxi companies convert their systems to provide electronic waybills by March 31, 2011.
- (4) Changing the date that the Taxi Advisory Council is required to report to the Board of Directors regarding recommendations related to the Taxi Medallion Sales Pilot Program to March 31, 2011.
- (5) Changing the requirements for taxi driver eligibility to raise the minimum age from 21 to 24 years old, specify that drivers must be legal residents of the United States, and require that an applicant for a San Francisco taxi driver permit hold a California drivers’ license for at least one year before becoming a taxi driver.

Changes to Definitions

Section 1102: Section 1102 of the Transportation Code contains the definitions for terms used throughout Article 1100. The proposed regulation would add definitions relevant to the revised administrative hearing procedures.

Changes to Driver Qualifications

Section 1103: Section 1103 of the Transportation Code sets forth application requirements for individuals who desire to become taxi drivers. Currently, a person may become a taxi driver at age 21. However, insurance carriers will not insure a taxi driver until age 23, and for that reason a new 21-year old driver is not likely to find employment. Accordingly, staff recommends changing the age at which a person may first apply for a taxi driver permit to age 24. The proposed amendment also requires a new driver to have held a California driver’s license for at least one year prior to the date of the application and clarifies that a new driver applicant must be a legal resident of the United States. Other changes to this section are non-substantive.

Changes to Vehicle Equipment Standards.

Section 1113: Some of the changes proposed to Section 1113 are for the purpose of re-ordering provisions for better logical flow, eliminating unnecessary language, and improving consistency and clarity. Specific substantive changes are described below:

Model Years: These proposed amendments would change the vehicle model year and mileage standards for taxi vehicles. Currently, the regulations require that no vehicle older than six model years may be introduced into the fleet, and if a vehicle attains the age of six model years while it is in the fleet, it has to be retired regardless of the number of miles on the vehicle. This rule has led taxi companies to ‘throw away’ vehicles that have had a model year birthday even though that vehicle might still pass all inspection requirements and might meet

Taxi Advisory Council - Council Liaison Report – Regulatory Reform Update

January 10, 2011

Taxi Services' Staff Report

the maximum mileage restriction. The proposed rule would allow a vehicle older than six model years to stay in the fleet as long as it meets the maximum mileage restriction and does not exceed eight model years. Under the current rule the industry will be required to retire vehicles of model years 2004 and older during 2011, and will have to retire vehicles of model year 2006 or older in 2012. Under the proposed amendments a vehicle model year could be as early as 2003 during 2011 and 2004 during 2012. The proposed rule will immediately affect 134 2004 model year vehicles that will be allowed to remain in the fleet during 2011, assuming that they do not exceed mileage limits and continue to pass regular inspections.

Maximum Miles: The proposed regulation would lower the maximum number of miles that a taxi vehicle could have on the odometer from 350,000 to 325,000 miles. This amendment also adds a provision requiring vehicles with 200,000 miles or more be inspected twice annually. This is an existing rule that has continued to be followed in practice, although the language of the requirement was inadvertently deleted in a prior amendment.

Taxi Wrap Advertisement: The proposed vehicle equipment standards would specify that taxi wrap advertisements could not cover windows and the wrap design would have to include identifying information twice the size that is required for the normal paint design. This is because taxi drivers have complained the public cannot tell that a taxi vehicle with a full advertising wrap is a taxi.

Electronic Waybill Requirement.

Section 1114: One of the most daunting limitations on the SFMTA's ability to regulate the San Francisco taxi industry is the continuing use of paper waybills. This proposed amendment would require all companies to transition to an electronic waybill system by March 31, 2011. This is a transition that is currently within the ability of most of the fleet, and is not cost prohibitive to any company because the technology is easily available and every vehicle in the fleet is equipped with GPS. The penalty for failure to comply with this requirement will be the subject of a succeeding amendment to address needed revisions of penalties listed in § 310 of the Transportation Code.

Electronic waybills will finally allow more effective enforcement of the medallion driving requirement. It will reduce the massive administrative burden of reviewing waybills in order to qualify future medallion holders. It will eliminate a large paper and paper storage cost for taxi companies, and it will give the City accurate industry metrics that can guide policy decisions, such as the number of vehicle miles traveled by taxis, the number of those miles that are "paid" miles, the amount of fares and means of payment, the number of passengers who use taxi service and when they use it, and trip statistics about supply and demand based on time of day, and day of the week.

Administrative Enforcement and Disciplinary Hearing Regulations.

Currently, the SFMTA's procedures for administrative hearings related to motor vehicles for hire are located in Sections 1116, 1117, 1118, 1119, 1120, and 1123 of Division II of the Transportation Code. There is some overlap among these sections, and a resulting lack of clarity. This proposed amendment overhauls the relevant Sections to consolidate the hearing procedures into more logical groupings, eliminate redundancy, and make other technical and substantive changes to improve the SFMTA motor vehicle for hire hearing process, as follows:

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Section 1116. The hearing provisions of Section 1116 have been deleted and non-redundant portions of Section 1116 have been moved to Section 1118. The Taxi Medallion Sales Pilot Program, formerly Section 1109(e), has been removed from Section 1109 and placed in a stand-alone Section – the now vacant Section 1116 - to make the Pilot Program provisions easier to locate and cite. The amendment proposes an extension of the reporting deadline for the Taxi Advisory Council to March 31, 2011, in order to allow more time for data to accumulate regarding the sale of medallions and its effect on the industry.

Section 1117. This Section was revised substantially by the SFMTA Board at its meeting of November 16, 2010 to eliminate the requirement for an initial qualification hearing for medallion applicants. The proposed amendments would organize within Section 1117 any hearing at which the burden of proof is not on the SFMTA but is on the applicant, such as (i) an applicant's challenge of the denial of a permit, or (ii) a member of the public's challenge of a decision to grant a medallion, or (iii) a hearing on a notice of the inactive status of an application when an application is deemed inactive under Section 1103(b)(5) for failure to respond to the SFMTA's attempts to contact the applicant. In addition, this legislation requires that notices of denial of an application for a permit contain the reasons for the denial, that notices of request for hearing be in writing, and that hearings under Section 1117 are open to the public except where exclusion of the public is necessary to protect the privacy of the applicant or a third party.

Section 1118. This Section governs hearings when the burden of proof is on the SFMTA, such as when Taxi Services imposes discipline on a motor vehicle for hire permit holder. This proposed amendment clarifies that in addition to disciplinary hearings, the hearing procedures of Section 1118 also apply to (i) a notice that a permit has been summarily suspended under Section 1119, (ii) a notice that the SFMTA has decided not to renew a permit under Section 1105(a)(5)(B) because the permittee does not meet the eligibility requirements for new applicants, (iii) a notice of inactive application status issued under Section 1103(b)(4) because the applicant has engaged in fraud, misrepresentation or other serious misconduct in connection with the permit application process, and (iv) a complaint issued under Section 1123 to a member of the public for violation of a provision of the Transportation Code (such as driving a taxi or operating a taxi, color scheme, or dispatch service without a permit). The proposed amendment also move the prohibition on *ex parte* communications and the procedures for delivering notices to permittees, applicants, members of the public who have requested hearings, hearing officers and the SFMTA from Section 1116 to Section 1118, and delete from Section 1118 the provisions on administrative probation.

Section 1119. Section 1119 governs summary suspension of a permit. This proposed amendment clarifies that the SFMTA bears the burden of proof in a hearing on summary suspension. It also provides that the permittee may appeal the hearing officer's decision upholding a summary suspension to the Board of Appeals. If the permittee files such an appeal, the summary suspension will not be stayed pending the Board of Appeals' decision.

Section 1120. Section 1120 governs revocation, suspension and administrative probation of permits. This proposed amendment clarifies, but does not modify, the conditions under which the SFMTA may suspend or revoke a permit. This legislation moves the language governing

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administrative probation that was deleted from Section 1118 into Section 1120, and sets forth the mandatory content of a notice of violation.

Section 1123. Section 1123 governs administrative fines imposed on members of the public (those who are not holders of permits issued by the SFMTA) for violations of the Transportation Code (such as driving a taxi or operating a taxi, color scheme, or dispatch service without a permit). This proposed amendment revises the provisions of Section 1123 relating to the content of SFMTA citations issued for such violations. The proposed amendment also clarifies the fact that a hearing officer's decision upholding a citation issued under Section 1123 is not subject to appeal to the Board of Appeals. This legislation notifies the public that a hearing officer's decision upholding a citation issued under Section 1123 is subject to judicial review under the provisions of Section 53069.4 of the Government Code.

GOALS

To identify operational issues associated with the implementation of the pilot program, including service impacts to customers and economic impacts on all elements of the taxi industry: drivers, companies and medallion holders, and based upon that analysis, to report to the SFMTA Board of Directors the TAC's recommendations regarding potential changes to the Pilot Program.

Buyer survey

1. Did you put down \$50,000 (20%) for your medallion purchase loan?
2. Does the fact that you purchased a medallion change the way that you work?
3. Does having a medallion cause you to feel differently about serving the public?
4. Were you happy with the available loan terms? If not, what other suggestions would you have for loan terms?
5. What do you try to do differently as a taxi driver now that you have a medallion
 - a. Pick up more radio calls
 - b. Pick up more airport rides
 - c. Other _____
6. Do you work different shifts now that you have a medallion?
 - a. Shifts worked before:
 - b. Shifts worked now:
7. Do you work more hours now that you have a medallion?
 - a. Hours worked before
 - b. Hours worked now
8. Does having a medallion change the way you would choose a company?
 - a. As a driver, what is important about your choice of company?
 - b. As a medallion holder, what is important about your choice of company?
9. If you manage your own medallion as an affiliate, how many drivers are working for you?
 - a. For each driver, how many years experience does that driver have?
 - i. Driver 1
 - ii. Driver 2
 - iii. Driver 3
 - b. For each driver, how did you meet or how do you know this driver?
 - i. Driver 1
 - ii. Driver 2
 - iii. Driver 3

Seller survey

1. Is the price adequate?
2. What kind of impact does the down payment assistance program have on you if any?

COLOR SCHEMES

1. Economic viability of companies:
Gas and gates v. affiliate issue v. other?
2. Have you perceived any differences in a medallion owner who has purchased a medallion as opposed to a regular medallion?
 - a. Attitude towards providing service?
 - b. Working more or less shifts?

CREDIT UNION

From Rebecca Lytle

WAITING LIST/DRIVERS

Statistical results

Historically how many medallions per year (50)

Pick samples from high low and middle and show change