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HEIDI MACHEN, EXECUTIVE DIRECTOR

MEMORANDUM

TO: Honorable Commissioners
FROM: Jordanna Thigpen JT
DATE: 2/26/8
RE: Updates on Rules Subcommittee

This memorandum will provide an update on the Rules Subcommittee. The Subcommittee is comprised of Vice President Breslin, President Gillespie, and Commissioner Oneto.

The Subcommittee recently finished making recommendations on Section 4 – Medallion Holders, and now brings those recommendations forward to the full Commission. The Commission cannot make any changes until the next Commission meeting since any rule changes require at least 10 days' notice.

Please see the attached red-lined copy for specific changes.

UPDATES

Medallion Holders (Section 4)

Rule 4.A.7: The Committee recommends that a driver holding a valid lease which complies with 4.C.1, and who purchases the taxicab vehicle operating under a particular medallion, may also appear on the Certificate of Title and Registration. This Rule is also to be moved into section B to become "4.B.3."

Rule 4.A.9: This Rule has two parts: one pertaining to shift-changing and one pertaining to waybills. At the December 5 meeting, the Subcommittee voted to move everything after "Pursuant" to the Color Scheme section; it should actually be deleted because it already appears there under Rule 5.H.10. Much discussion was had about changing this Rule to allow shift-changing off color scheme property. Commissioner Breslin made a motion to eliminate the Rule but no one seconded that motion.

Staff was also directed to provide a report on how many people have actually requested to shift change off property. Only two official requests could actually be located in the minutes: Joseph Tesfaldet of DeSoto wanted to park in Redwood City; he made his request on August 28, 2007. Sonny Tam of Fog City wanted to park in San Francisco; he made his request on September 25, 2007. Both times the Commission declined to grant the request. However, beginning in 2002, many individuals have come forward to complain during public comment about the problem of taxicab vehicles parked on the street for more than four hours. At one point in the summer of 2006, a hearing was going to occur around the issue, but it never did.

Rule 4.A.10: Commissioner Breslin would like to delete Rule 4.A.10. Commissioner Oneto would delete the Rule if we could get electronic waybills with biometric tracking. Commissioner Gillespie was not present at the last meeting where this was discussed.

Rule 4.A.11: At the last meeting staff was directed to draft specific language to amend Rule 4.A.11. The issue here is the acceptance of service of process when the medallion holder is absent from the country. The Commission really has no need to know where a medallion holder is, or even how long the medallion holder is planning to be absent, as long as the Commission can (1) contact the individual medallion holder in the event of a problem and (2) serve process upon the medallion holder at any time.

Here is the proposed language:

Every Post-K Medallion Holder must submit a written notification to the Taxi Commission if his or her medallion will not be operated for a period of thirty (30) consecutive days or more. Notifications must be received within two (2) business days prior to the start of the period and shall include both the reason for the non-operation and the anticipated date of return to operation. Every Medallion Holder shall provide his or her color scheme with emergency contact information if he or she plans to be residing out of the country or is otherwise unavailable for more than thirty (30) consecutive days. Notifications must be received within two (2) business days prior to the start of the period.

The following new Rule is proposed:

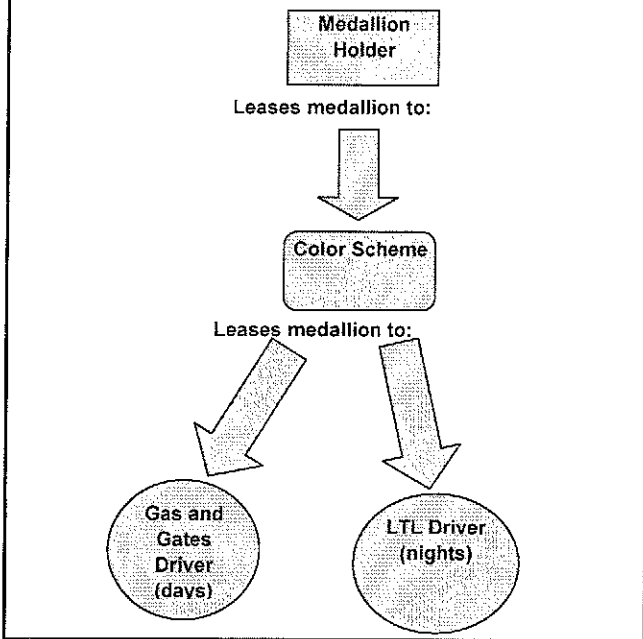
Every Medallion Holder shall give written notice to the Taxi Commission within ten (10) days of any change of residence address, and shall accept mail at the address provided to the Commission. A post office box is not permitted. Every Medallion Holder designates his or her color scheme as the agent for service of process. Failure or refusal of a color scheme to accept service of process, or claims of nonreceipt, shall not relieve a medallion holder of the burden of response.

4.B.3: As noted above, it is recommended that 4.A.7 merge with 4.B.3 in its amended form. The noticing of changes was tightened up to three days instead of ten.

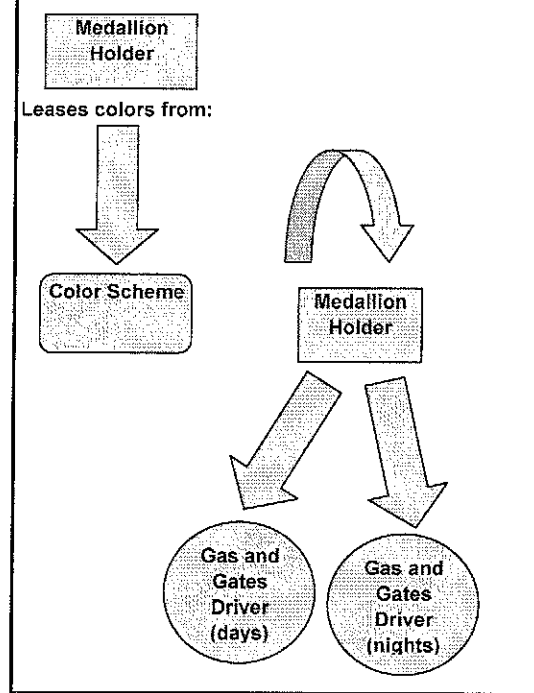
4.C.1: Flowcharts showing the types of permissible leasing arrangements under the current rule, as well as some of the impermissible realities currently in the industry, are attached. Brokers are a serious problem for the industry, and although their activities are illegal, they continue to flourish. The Committee proposed adding more “teeth” to the existing Rule 4.C.1 in the form of enhanced penalties (the current penalty is only \$250,) and staff also suggests passing a resolution at the Commission level urging the Board of Supervisors to adopt specific language regarding brokers. The amendments in §.C.1 in the red-lined version merely make it more applicable to Medallion Holders; this language also appears in the Color Scheme and Driver sections.

Sample Leasing Arrangements in the Taxi Industry

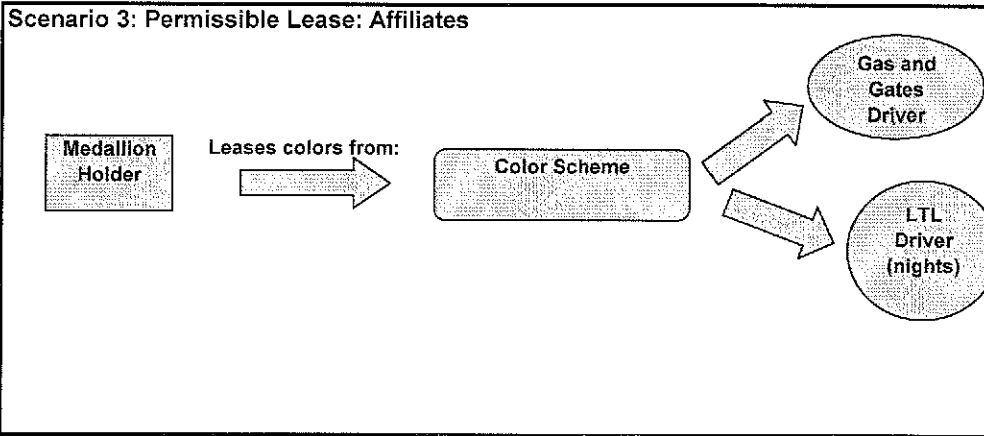
Scenario 1: Permissible Lease: Gas/Gates and LTLs



Scenario 2: Permissible Lease: Affiliates

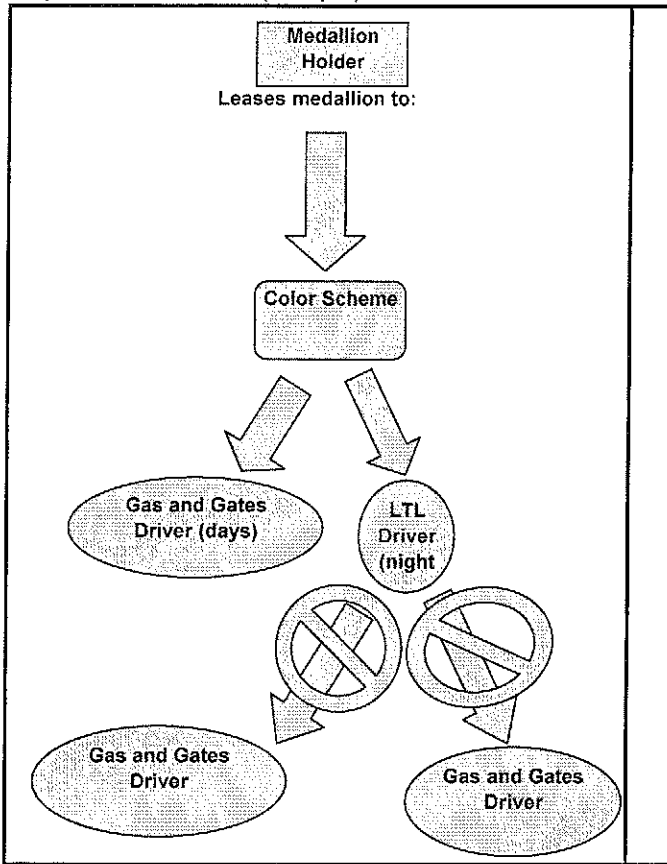


Scenario 3: Permissible Lease: Affiliates



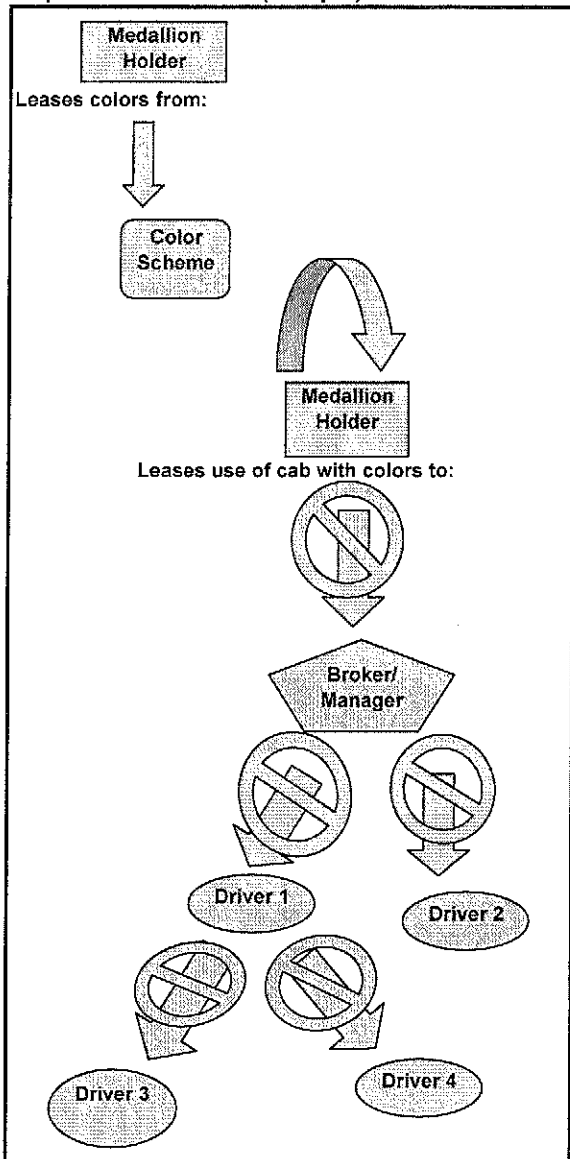
Sample Leasing Arrangements in the Taxi Industry

Impermissible Lease (Sample)



Sample Leasing Arrangements in the Taxi Industry

Impermissible Lease (Sample)



SAN FRANCISCO TAXICAB COMMISSION

TAXICAB/RAMPED TAXI REGULATIONS

THIS DOCUMENT MUST BE AVAILABLE IN ANY OPERATING TAXICAB/RAMPED TAXI

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4. MEDALLION HOLDER

A. General Rules and Requirements

1. Every Licensed Medallion Holder shall comply with ~~the applicable~~ provisions of the Charter, Police Code, ~~Planning Code~~ and Traffic Code of the City and County of San Francisco; ~~the California Vehicle Code; California Worker's Compensation Laws; and these Taxicab Regulations; and the provisions of all ordinances and regulations applicable at of~~ the San Francisco International Airport, the San Francisco City and County Department of Agriculture and Weights and Measures, and all other governmental jurisdictions through which the permit holders traverse.
2. Every Medallion Holder shall at all times, cooperate with the Taxicab Commission or the Commission's designee on all matters relating to regulatory compliance.
- ~~5.3.~~ Every Medallion Holder shall ensure that their taxicab, color scheme holder, dispatch service and business operations adhere to all requirements set forth in both these regulations and the San Francisco Municipal Police Code. Failure to comply may result in administrative action.
- ~~9.4.~~ Every Medallion Holder, shall adopt or affiliate with a distinguishing taxicab color scheme that has been approved by the Taxicab Commission and ensure that the operation of their permit is in full compliance with the Commission's Rules and Regulations, and all local, state and federal regulations. A signed contract with a color scheme holder does not relieve the medallion holder of their responsibility to comply with these regulations.

- ~~9.5.~~ A taxicab vehicle number, assigned to the Medallion Holder by the Taxicab Commission, shall be painted in numerals of a color which contrasts with the color of the rest of the taxicab vehicle. Such number shall be at least four inches (4") high and positioned directly under the windows on or within six inches (6") of the forward-most portion of both front doors and on the center, lower left or lower right corner of the rear-facing portion of the trunk lid of their taxicab vehicle. Adhesive type numerals may be used in place of painted numerals. All taxicab vehicles shall have the vehicle number painted on the roof, hood or trunk of the vehicle. The numbers shall be a minimum of eighteen inches (18") in length and must fill the entire width of the roof, hood or trunk. If the numbers are displayed on the roof, they shall be mounted and centered directly behind the top light.
- ~~11.6.~~ Whenever a Medallion Holder replaces their taxicab vehicle with a new taxicab vehicle, the new vehicle must be inspected and approved by the Taxicab Commission or their designee prior to use. If the taxicab vehicle is replaced by another previously inspected taxicab, the medallion holder shall ensure that the Taxicab Commission or ~~their~~ its designee has received written notifications containing all changes in vehicle, decal and taximeter information. *(Amended 11/9/99)*
- ~~12.7.~~ The Certificate of Title and the Registration on all vehicles placed into service after the effective date of these regulations must only be under the name of the Medallion Holder, the and/or Color Scheme Holder, or a Driver holding a valid lease for the vehicle that meets the requirements of Rule 4.C.1. Vehicles currently in service that are registered otherwise, may continue in operation until said vehicle reaches ten (10) model years of age or for three (3) years from the effective date of these regulations, whichever event comes first. *(Amended 11/9/99)*
- ~~13.8.~~ (a) INSPECTIONS. All vehicles must be inspected by the San Francisco Airport Ground Transportation Unit and pass inspection prior to being placed into service as a taxicab. Any vehicle that has reached 200,000 miles, including a London Taxi or other purpose-built vehicle, must pass airport inspection every six (6) months to be operated as a taxicab. *(Amended 01/24/06)*
- (b) VEHICLE AGE. No Vehicle which is older than eight (8) model years may serve as a taxicab. *(Amended 01/24/06)*
- (c) MILEAGE. Starting mileage may not be more than sixty thousand (60,000) miles when vehicle is placed into service. 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. *(Amended 01/24/06)*
- ~~9.~~ 9. Medallion Holders shall ensure that the taxicab operating under the medallion issued to them begins and ends all shifts at their color scheme's place of business, except with the approval of the Taxicab Commission or ~~their~~ its designee, ~~for "formal employee operations"~~. When the taxicab is not employed, Medallion Holders shall either leave the vehicle at their color scheme's place of business or at an alternative

location approved by the ~~taxi detail~~ Taxi Commission that is off the public street and sidewalk. Each request for the use of an alternative site must be made in writing. Medallion Holders shall ensure that all waybills, reports and found property are turned in at the taxi company premises at the conclusion of each shift. ~~Pursuant to Section 1121(f) of the San Francisco Police Code, Color Scheme Holders ("Color Schemes") shall maintain and retain waybill records for no less than six (6) years to document that driving performed by drivers of taxicabs and ramped taxis affiliated with the Color Schemes have met the specific driving requirements mandated by Section 1121(b). Color Schemes shall maintain at minimum the most recent twelve (12) months of waybills in a traditional hard copy format. Color Schemes may store waybills more than twelve (12) months old in a reasonably secure electronic form and/or on a computer storage diskette, and duplicate copies of the electronic record shall be given to drivers for each year of record. Failure of the Color Scheme to comply with the regulations shall not excuse a Permit Applicant from the driving requirement, or relieve a Permit Applicant from the burden of proving that he or she has satisfied the requirement.~~ [j2]

19.10. Unless their taxicab is out of service, all Medallion Holders must drive their own medallion number taxicab when complying with the full time driving requirement provisions of Appendix F, Sec. 2. (B) of the ~~San Francisco Charter~~ Municipal Police Code § 1081(f).

20.11. Except for emergencies, every "Post K" Medallion Holder must submit a written notification to the Taxi Detail if they will not be driving for a period of thirty (30) consecutive days or more. Notifications must be received within two (2) business days prior to the start of the period and shall include both the reason for the absence and the date of return to active driving. In the case of emergencies, notice may be received two (2) days after. ~~(Amended 11/9/99)~~ [j3]

21.12. No Medallion Holder shall hinder, delay, or knowingly make false or misleading statements to the Taxicab Commission or their designee on matters relating to regulatory compliance. ~~(Amended 2/8/00)~~

B. Insurance and Registration

1. All required insurance policies or certificates shall include the name of both the Medallion Holder and Color Scheme Holder.
2. In addition to the insurance requirements set forth in the Police Code the following endorsements are required to be filed with the required insurance policy or required certificate of insurance by the Medallion Holder:
Insurance Endorsement City and County of San Francisco
 - a. Additional Insured:
 1. The City and County of San Francisco, the Taxicab Commission and the Airports Commission of the City and County of San Francisco and all of their officers, and employees are additional named insured hereunder.

- b. Severability of Interests (Cross Liability):
 - 1. The term "the insured" is used severally and not collectively and the insurance afforded under the liability coverages of Bodily Injury and Property Damage applies separately to each insured against whom claim is made or suit is brought, but the inclusion herein of more than one insured shall not operate to increase the limits of the company's liability.
- c. Cancellation or Limits Reduction Change Notice:
 - 1. Written notice of cancellation, non-renewal or of any limits reduction change in said policy shall be mailed to the Permit Section, 850 Bryant Street, Room 458, San Francisco, California 94103, ~~thirteen (13)~~ (3) days in advance of the effective date thereof.
- d. Premises/Auto Operations of Insured:
 - 1. Above includes activities and operations upon, in and around the San Francisco International Airport and the City and County of San Francisco.
- e. No Other Insurance Stipulation:
 - 1. No other insurance effected by the City and County of San Francisco will be called upon by the company to contribute to a loss covered hereunder.

~~3.~~ 3. The Certificate of Title and the Registration on all vehicles placed into service after the effective date of these regulations must only be under the name of the Medallion Holder, the Color Scheme Holder, and/or a Driver who (1) purchases the vehicle to be operating under a particular medallion and (2) holds a valid lease for the vehicle that meets the requirements of Rule 4.C.1. The primary vehicle used for the operation of the Medallion Holder's permit will be registered only in the name of the Medallion Holder or Color Scheme.

C. Leases

- 1. Every Medallion Holder and Color Scheme Holder shall limit the layers of medallion or permit leases to three (3) layers (e.g.i.e. Medallion Holder to Color Scheme Holder to driver). No ~~Taxicab Driver~~ Medallion Holder may lease a permit or medallion, either on a per shift basis or for any term of time, to or from anyone other than the Medallion Permit Holder ~~Driver~~ or the Color Scheme Company under which the permit or medallion is operating.
- 3.2. Written copies of all leases are to be kept at the Color Scheme Holder's principal place of business for inspection by the Taxicab Commission or their designee.