

1 [Urging Taxicab companies not to increase the number of long-term leases of medallions.]

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3 **Resolution urging taxicab companies not to increase the number of long-term leases**
4 **of taxicab medallions or taxicabs in their fleets, urging the Taxi Commission to**
5 **strictly enforce Ordinances and Regulations requiring Proposition K medallion**
6 **holders to drive the taxicab permitted under their medallion and providing that the**
7 **Board of Supervisors shall consider regulation of long-term leasing.**

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9 **WHEREAS, Yellow Cab Cooperative (“Yellow”) and Luxor Cab Company**
10 **(“Luxor”) have notified their drivers of their intention to phase out the leasing of**
11 **taxicabs by the shift and henceforth to exclusively enter into long-term leases with**
12 **drivers; and**

13 **WHEREAS, The Taxi Commission has forwarded to the Board of Supervisors a**
14 **recommendation for a taxi driver health-care plan, to be partially financed through**
15 **contributions from cab companies; and,**

16 **WHEREAS, Yellow and Luxor have stated in their notices to drivers that one reason**
17 **for changing their leasing arrangements to long-term leases is the impending health-care**
18 **plan; and,**

19 **WHEREAS, Yellow and Luxor have further stated in their notices to drivers that long-**
20 **term leases will cost drivers between \$2,900 and \$7,300 per month; now, therefore, be it**

21 **WHEREAS, Yellow and Luxor are the largest cab companies in San Francisco, and**
22 **other cab companies are likely to follow their lead; and**

23 **WHEREAS, Shift leases are regulated by the City and County of San Francisco, while**
24 **long-term leases are not currently regulated; and**

1 WHEREAS, The long-term leasing of medallions issued under Proposition K of 1978
2 could violate the intent and spirit of that ordinance; and

3 WHEREAS, Proposition K, the Police Code and Taxicab Rules and Regulations
4 require medallion holders to drive the taxicab permitted under their medallion while fulfilling
5 the Proposition K driving requirement; and

6 WHEREAS, Failure of medallion holders to drive the taxicab permitted under their
7 medallion facilitates long-term leasing; and

8 WHEREAS, An expansion of long-term leasing is not in taxi drivers' interests in that it
9 will eliminate large numbers of jobs and force many drivers out of the industry or into financial
10 arrangements they cannot afford; and

11 WHEREAS, An expansion of long-term leasing is not in the public interest in that it will
12 reduce the availability of taxicabs and place in jeopardy the viability of a taxi driver health-care
13 plan; and

14 WHEREAS, An expansion of long-term leasing is not in the interests of the City and
15 County of San Francisco, in that long-term-lease arrangements are more difficult to monitor
16 and regulate, more easily lend themselves to abuse, and place financial and operational risks
17 and burdens on taxi drivers that should be the responsibility of cab companies and medallion
18 holders; and

19 WHEREAS, Regulation of long-term leasing is necessary for purposes of protecting
20 the interests of the City, the public and drivers working under such arrangements; now,
21 therefore, be it

22 RESOLVED, That the Board of Supervisors urges Yellow, Luxor and other cab
23 companies not to increase the number of long-term leases of taxicab medallions or taxicabs
24 before the Board has the opportunity to consider regulation of long-term leasing; and be it
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1 FURTHER RESOLVED, That the Board of Supervisors urges the Taxi Commission to
2 strictly enforce provisions of Proposition K, the Police Code and Taxicab Rules and
3 Regulations requiring medallion holders to drive the taxicab permitted under their medallion
4 while fulfilling the Proposition K driving requirement; and be it

5 FURTHER RESOLVED, That the Board of Supervisors shall consider regulation of
6 long-term leasing arrangements, to wit: reporting requirements for companies and medallion
7 holders operating medallions under long-term leases; restrictions on the expansion of long-
8 term leasing; standardization of long-term lease agreements; a cap on the amount of such
9 leases; protection for drivers currently holding long-term leases from arbitrary cancellation of
10 such leases; and a sunset on long-term leasing of Proposition K medallions.

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