
Taxi Medallion News

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KGO Channel 7 Focuses on Taxi Commission Staff

On July 24, Dan Noyes, investigative reporter for KGO Channel 7, ran a story detailing the criminal past of the Taxi Commission's acting executive director, Tristan Bettencourt. Bettencourt resigned two days later.

You can view the video via a link at:

» <http://heidigate.com> «

Noyes's report details how Bettencourt, as a taxi driver in 1989, took his passenger to a theater, and then drove right back to her

(Continued on page 3)

Taxi Commission Tightens Screws on Disabled Medallion Holders

In February 2006, over the impassioned objection of Taxi Commission (TC) member Martin Smith and vice-president Patricia Breslin, the commission passed a resolution titled, "Clarifying limitations to variations from the Proposition K driving requirement." It states in essence that disabled permit holders are limited to 16 consecutive months of disability protection, after which the TC could move to revoke the medallion. If the TC tries to implement such a policy, the MHA is committed to filing a lawsuit and injunction to protect all Prop. K medallion holders.

History of MHA's prior lawsuit

Section 4 of Prop. K justifiably limits variance from continuous operation of the per-

(Continued on page 2)

Please note: We recently changed our name to:

Medallion Holders Association

We used to be the S.F. Taxi Permitholders & Drivers Association (PDA). Our new name more clearly describes us: the MHA is the trade association that represents the interests of individual taxi medallion holders in San Francisco.

UC Berkeley Study Recommends That SF Make Medallions Transferable

Last year, the mayor's office hired UC Berkeley's Goldman School of Public Policy to study the San Francisco taxi medallion system. The resulting 48-page report came out in June 2006, and is online at:

» <http://medallionholders.com/goldman> «

The report states, "Our initial research ruled out deregulation and geographic franchise systems as feasible alternatives for San Francisco. Therefore, we focused our analysis on the potential equity improvements offered by medallion transferability."

The Goldman study implied that current medallion holders do not deserve the profit that they would receive if they could sell their

(Continued on page 3)



Please join the MHA or continue your membership, so that we can continue to fight for the value and security of all medallions. Your financial support enables us to advocate on your behalf at the Taxi Commission, at the Board of Supervisors, at the Board of Appeals, and in court.
- Carl Macmurdo, MHA President

Taxi Commission Tightens the Screws on the Disabled

(Continued from page 1)

mitted business in any calendar year to 90 days. In August 1999, under pressure from Prop. K's author, Quentin Kopp, the TC's deputy city attorney, Tom Owen, linked section 2 of the law to section 4 and incorrectly stated that relief from a purported "driving requirement" should be limited to 90 days annually, even in the event of physical disability. The TC began a wave of revocations of the medallions of disabled permit holders, which prompted the MHA to request judicial review in Superior Court in November 2000.

Originally, Superior Court ruled in the city's favor. The MHA then took the matter to the California Court of Appeal, whose 2002 ruling on the case is muddled and murky. It partly overturned the Superior Court decision and granted permit holders some relief. Of the six points that the MHA sued on, the city was upheld on three causes and overturned on the other three.

Nonetheless, the appellate decision has been helpful to medallion holders. The decision enabled the creation of the manager's driving-standard reduction ordinance, which finally occurred two months ago. (See the article on page 3.) It paved the way for the current 800-hour annual driving standard. Additionally, permit holders have made some gains in disability protections.

In November 2005, the MHA withdrew the entire lawsuit "without prejudice," which would allow us to file a similar lawsuit in the future if necessary. We hope to avoid doing so; however, the recent TC resolution and some related developments make a new MHA lawsuit a distinct possibility in the near future.

Immediate course of action

The MHA will continue to meet with regulators and legislators to try to establish policies that provide disability protection for medallion holders. In the meantime, Prop. K medallion holders who need relief from driving requirements due to disability should continue to file their requests with the TC.

Medallion Holders Might Have to Pay Big Bucks for Medical Plan for Lease Drivers

The Taxi Commission has been thinking of confiscating a big chunk of your monthly medallion income to pay for medical coverage for lease drivers. The MHA's position is very clear: it is unacceptable to require that medallion holders fund medical coverage for lease drivers, who are, after all, self-employed independent contractors and not employees.

Nevertheless, the commission intends to establish a committee to explore ways to help full-time taxi drivers afford medical benefits. Commission president Paul Gillespie has indicated that the MHA will be offered a position

Medallion Transferability

(Continued from page 1)

medallions. However, the report acknowledges that if current medallion holders were denied participation, it would take an estimated 37 years for all of us to leave the industry by attrition. In response, the MHA wrote a letter to the study's authors pointing out the following:

a. To transition to a new system, our participation is essential, especially to ensure that enough medallions will be made available for sale to other taxi drivers;

b. We followed all the rules, but we were **disallowed by law** from building equity in transferable medallions;

c. The city and the taxicab industry should not be punished for decades simply to indulge the ideological whims of a few well-known industry activists who constantly demonize medallion holders.

On July 17, the authors of the study formally presented it to a Board of Supervisors committee. However, during their hour-long presentation, the authors never suggested that current medallion holders would be denied participation in a transferability system.

Managers' Reduced Driving Requirement Begins in 2007

In June, the Board of Supervisors finally approved a driving-standard modification that takes effect on January 1, 2007. Under the law, Prop. K medallion holders who work in key jobs at cab companies can have their annual standard reduced from 800 hours to 120 hours.

The law restricts how many company employees would qualify. For example, a company with 100 medallions may designate up to five employees for the reduction. Each

company must submit a list of qualifying employees annually by December 1 for the new calendar year to follow, and the list is not alterable during the year.

The entire text of the new law is online at:
» <http://medallionholders.com/managers> «

KGO Taxi Commission Video

(Continued from page 1)

apartment and broke in. A neighbor caught him red-handed. He was convicted of felony first-degree residential burglary and sentenced to four years in state prison. Noyes located the victim out of state and interviews her in the report.

Bettencourt took an odd route to the Taxi Commission's top job. In late 2005, he was hired as an analyst by the commission's executive director, Heidi Machen, his friend and housemate. When the Taxi Commission fired Machen in June 2006, Bettencourt, as the number two person at the commission, became acting executive director.

Noyes's report also details how Bettencourt, while residing with Machen, operated an Internet fraud scheme during the 1990s. One of Bettencourt's victims won a substantial small claims court judgment against him.

After Bettencourt's 1989 arrest, Machen paid his \$10,000 bail. In a letter to the court that same year, she described Bettencourt as her "constant companion" and "intimate friend" of the previous two years. Noyes also learned that Bettencourt was convicted of grand larceny in another county in 1988 under an alias.

Meanwhile, Machen's firing created a minor tempest at City Hall. She's a protégé of Mayor Gavin Newsom, and he bent over backward to get her reinstated by quickly firing some commissioners and putting three new people on the Taxi Commission. The newly constituted commission rehired Machen as executive director in July.

Thank You to Former Taxi Commissioners Martin Smith and Mary McGuire

In July, Taxi Commissioners Martin Smith and Mary McGuire left the commission. Marty had occupied the seat designated for a company representative. Mary had served on the commission since it began in 1999 and occupied the seat designated for a labor representative. Medallion holders owe Marty and Mary a big debt of gratitude for their service to the industry.

Both Marty and Mary are medallion holders. No medallion holders currently sit on the Taxi Commission, unfortunately.

Upcoming MHA Board Election Will Bring Some Changes

The MHA Board of Directors election on September 11 will bring some changes. Robert "English Bob" Cesana is running for vice-president, and Charles Rathbone is running for treasurer. Departing vice-president Michael Spain and departing treasurer Mark Giorgi are both running for at-large seats on the board. Given four candidates and four seats, all seem likely to be elected. Each term is for two years. (The terms of president Carl Macmurdo and secretary Dennis Korkos have another year to run.)

Two of the MHA's founding members, Jamie Maddox and Joseph Fleischman, are leaving the board. Jamie and Joseph helped lay the foundation for many of our accomplishments. We thank them and hope that they'll stay involved in the MHA.

Charles Rathbone, heir apparent as treasurer, began driving a taxi in San Francisco in 1975 and has been driving a cab for 25 years or so. He drives days at Luxor Cab, where his assigned vehicle is a London Taxi.

Charles is married to Bettina Cohen of

Lexington, Kentucky. He is keenly interested in driver safety, as well as what he calls "the unique arithmetic of the taxi industry." Charles maintains an excellent web site that contains many documents and links to taxi websites worldwide. The site is at:

>> <http://www.taxi-L.org> <<

Three New Members Named to Taxi Commission

In July, the mayor made three new appointments to the Taxi Commission. Each term is for two years. The new commissioners are:

- Richard Benjamin, a private investigator and a former police officer. He is associated with Luxor Cab, and he occupies the company seat on the commission.

- Malcolm Heinicke, an attorney and former chair of the San Francisco Human Rights Commission. He occupies the seat reserved for a member of the general public.

- Tom Oneto, a business representative for the Teamsters. He occupies the commission's labor seat.

The MHA board looks forward to working with the new commissioners.

The continuing members of the commission are:

- Patricia Breslin, the executive director of the Hotel Council of San Francisco. She occupies the commission's hospitality-industry seat. Ms. Breslin is the vice-president of the commission.

- Paul Gillespie, a driver at Yellow Cab. He occupies the commission's driver seat. Mr. Gillespie is the president of the commission.

- Michael Kwok, an activist. He occupies the commission's disability seat.

- Min Paek, the executive director of the Korean American Women Artists & Writers Association. She occupies the commission's neighborhood seat.