

Thursday, April 18, 2013, 12:00 Noon
11800 Woodbury Road, 2nd floor, Room # 219-220
Garden Grove, CA 92843

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact OCTAP at (949) 654-8294, no less than two (2) business days prior to this meeting to enable OCTAP to make reasonable arrangements to assure accessibility to this meeting.

Agenda Descriptions

The agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Committees may take any action that they deem to be appropriate on the agenda item and are not limited in any way by the notice of the recommended action.

Public Comments on Agenda Items

Members of the public may address the Committees regarding any item. Please complete a speaker's card and submit it to the Steering Committee Chairman, or notify OCTAP staff regarding the item number on which you wish to speak. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.

Public Availability of Agenda Materials

All documents relative to the items referenced in this agenda are available for public inspection at www.octap.net or through the OCTAP office at 11903 Woodbury Road, Garden Grove, California.

Call to Order and Introductions

Consent Calendar (Items 1 through 2)

All matters on the Consent Calendar are to be approved in one motion unless a Committee Member or member of the public requests a separate action on a specific item.

1. Approval of Minutes

Of the January 17, 2013, Combined Steering Committee and Safety Committee Meeting

2. Staff Information Items – Receive and File the:

a) Quarterly Operations and Financial Reports

1. OCTAP Quarterly Operations Report – January 1, 2013 through March 31, 2013.

2. OCTAP Financial Report, Fiscal Year 2012-13, December 2012 – February 2013.
3. Updated CPI and Fuel Cost Historical Data
4. Internal Audit Report

Regular Calendar

3. **Advertising on Taxicab Vehicles (Follow-up from January 17, 2013, meeting)**

Discussion Items

4. OCTAP Staff Updates

OCTAP Administrator will present information and updates.

- a) Coordinated Enforcement and Outreach Activities
- b) Information on UBER

5. Committees Representatives Reports

Members of the Committees may report on any items within the subject matter jurisdiction of the Steering Committee and Safety Committee. No action may be taken on off-agenda items unless authorized by law.

6. Public Comments

Members of the public may address the Committees regarding any items within the subject matter jurisdiction of the Steering Committee and Safety Committee. No action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three (3) minutes per speaker, unless different time limits are set by the Chairman subject to the approval of the Steering Committee.

7. Adjournment

The next regularly scheduled meeting of the OCTAP Joint Meeting of the Steering Committee and Safety Committee will be held at 12:00 p.m. on July 18, 2013, at 11800 Woodbury Road, Annex 2nd floor, Room #219-220, Garden Grove, CA 92843.

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Steering Committee and Safety Committee Members Present:

City of Aliso Viejo Steering and Safety Committees, David Haldeman
City of Anaheim Steering Committee, Matt Letteriello
City of Anaheim Safety Committee, Jesse Penunuri
City of Brea Steering Committee, Mark Kane
City of Brea Safety Committee, Robert Conner
City of Costa Mesa Steering Committee, Elizabeth Gonzalez
City of Cypress Steering and Safety Committees, Matt Ward
City of Dana Point Steering Committee (Alternate) and Safety Committee, Brian Hall
City of Fountain Valley Steering and Safety Committees, Matt Mogensen
City of Fullerton Steering and Safety Committees, Lenny Ledbetter
City of Garden Grove Steering Committee, Pam Gillis
City of Irvine Steering Committee, Matt August
City of Irvine Safety Committee, Scott Crones
City of Laguna Beach Steering Committee, Rebecca White
City of Laguna Niguel Steering Committee (Alternate) and Safety Committee (Alternate), Jennifer Anckaer
City of Laguna Woods Steering and Safety Committees, Douglas Reilly
City of Lake Forest Steering Committee, James Wren
City of Los Alamitos Steering and Safety Committees, Bruce McAlpine
City of Mission Viejo Steering Committee, Brett Canedy
City of Mission Viejo Safety Committee (Alternate), Wayne Dixon
City of Newport Beach Steering Committee, Monique Navarrete
City of Orange Steering and Safety Committees, Ken Adams
City of San Juan Capistrano Steering Committee, Donna Ducharm
City of Santa Ana Steering Committee, Ruben Ibarra
City of Santa Ana Safety Committee, Arthur Morales
City of Santa Ana Safety Committee (Alternate), Luis Torres
City of Seal Beach Steering Committee (Alternate) and Safety Committee (Alternate), John Scott
City of Tustin Steering Committee, Matt Nunley
City of Tustin Safety Committee, Brian Greene
County of Orange Steering Committee (Alternate) and Safety Committee, Adam Moore
County of Orange Safety Committee (Alternate), Tim Finneran
Large Taxi Cab Company Representative Steering Committee, William Gray
Small Taxi Cab Company Representative Steering Committee, Patrick Dreis
Orange County Tourism Council Representative Steering Committee, Ann Gallagher

Not Represented:

City of Buena Park
City of Huntington Beach
City of Laguna Hills
City of La Habra
City of La Palma

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City of Placentia
City of Rancho Santa Margarita
City of San Clemente
City of Stanton
City of Villa Park
City of Westminster
City of Yorba Linda

Others Present:

Sue Zuhlke, OCTAP
Patrick Sampson, OCTAP
James Donich, Esquire, OCTA Legal Counsel
Jo-Ann Gadia Bravo, OCTAP
Richard Girard, OCTAP
Barbara A. Firebaugh, Barrister's Reporting Service
Felipe Mejia, OCSD/John Wayne Airport
Alex Medina, OCSD/John Wayne Airport
Brian Bruns, OCSD/John Wayne Airport
Todd Calderon, OCSD/John Wayne Airport
Michael Morris, OCSD/John Wayne Airport
Erin Scheppmann, OCSD/John Wayne Airport
Benjamin Coltharp, OCSD/John Wayne Airport
Juan Lopez, OC Weights and Measures
Ken Neuhoff, 1A Green Taxi Cab
Jay Shukr, County Cab
Larry Slagle, Yellow Cab of Greater Orange County
Charles Lantz, Yellow Cab of Greater Orange County
Michael Bare, A White & Yellow Cab, Inc.
Greg Akins, California Yellow Cab
Daniel Benton, California Yellow Cab
Ricardo Lara, Union Taxi Cab
Gerardo Quintana, Union Taxi Cab
Armando Lara, Go Yellow Taxi
Mehdi Sarreshtedari, Affordable Taxi
Pavlos Giangos, Metro Taxi Cab
Malik Azhar, TDAOC
Mohammad Azhar, TDAOC

Call to Order

Steering Committee Chairman Letteriello called the January 17, 2013, regular meeting of the Orange County Taxi Administration Program (OCTAP) Steering Committee and Safety Committee to order at 12:08 p.m.

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Introductions

Members of the committees and others in attendance introduced themselves for the record.

Consent Calendar (Items 1 and 2)

Matters on the Consent Calendar are approved in one motion unless a committee member or a member of the public requested separate action on a specific item.

1. Approval of Minutes

To receive, approve, and file the minutes from the October 18, 2012, Orange County Taxi Administration Program Combined Steering Committee and Safety Committee meeting.

2. Staff Information Items Quarterly Operations and Financial Reports

To receive, approve, and file the OCTAP Quarterly Operations Report – October 1, 2012 through December 31, 2012 (Item 2(a) (1)), and the OCTAP Financial Report, Fiscal Year 2012-13, September 2012 – November 2012 (Item 2(a) (2)).

A motion was made by Committee Member Navarrete (Newport Beach), seconded by Committee Member Haldeman (Aliso Viejo), and declared passed by those present, to approve and file items 1 and 2 of the Consent Calendar. Mission Viejo abstained from the vote.

Regular Calendar

3. Election – Steering and Safety Committees Chair and Vice-Chair for 2013

Committee Chairman Letteriello requested nominations for chairs and vice-chairs of the Steering Committee and Safety Committee.

Steering Committee

Committee Member Reilly (Laguna Woods) nominated Matt Letteriello (Anaheim) for Steering Committee Chair. However, Committee Chairman Letteriello declined the nomination at that time and asked all committee members for other nominations. Committee Member Dreis (Small Taxicab Company Representative) nominated William Gray (Large Taxicab Company Representative) for Steering Committee Chair. Committee Chairman Letteriello called for a second. No second was received and the motion failed. At this time, Committee Chairman Letteriello accepted the nomination for the motion initially made by Committee Member Reilly (Laguna Woods). The motion was then seconded by Committee Member Kane

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(Brea). Committee Chairman Letteriello closed the nomination and called for a vote. The vote was unanimous to elect Matt Letteriello (Anaheim) as the 2013 Steering Committee Chair.

Committee Chairman Letteriello asked for nominations for Steering Committee Vice Chair. Committee Chairman Letteriello asked Committee Member Kane (Brea) if he would be willing to serve as Steering Committee Vice-Chair; which was declined. Committee Member Dreis (Small Taxicab Company Representative) nominated William Gray (Large Taxicab Company Representative) for Vice Chair of the Steering Committee. Committee Member Ledbetter (Fullerton) seconded the nomination. Committee Chairman Letteriello nominated Doug Reilly (Laguna Woods); which was declined. Receiving no other nominations, Committee Chairman Letteriello closed the nominations and called for a vote on Committee Member Dreis' motion. The vote was unanimous to elect William Gray (Large Taxicab Company Representative) as the 2013 Steering Committee Vice-Chair.

Safety Committee

Committee Chairman Letteriello asked for nominations for Safety Committee Chair. Committee Member Ledbetter (Fullerton) nominated Mark Kane (Brea) for Chair of the Safety Committee. Committee Chairman Letteriello (Anaheim) seconded the nomination. Receiving no other nominations, Committee Chairman Letteriello closed the nomination and called for a vote. The vote was unanimous to elect Mark Kane (Brea) as the 2013 Safety Committee Chair.

Committee Chairman Letteriello asked for nominations for Safety Committee Vice Chair. Committee Member Adams (Orange) nominated Lenny Ledbetter (Fullerton) for Vice Chair of the Safety Committee. Committee Member Kane (Brea) seconded the nomination. Receiving no other nominations, Committee Chairman Letteriello closed the nomination and called for a vote. The vote was unanimous to elect Lenny Ledbetter (Fullerton) as the 2013 Safety Committee Vice Chair.

4. Public Hearing to Consider for Taxicab Fare Increase

The public hearing was opened by Committee Chairman Letteriello for discussion regarding the consideration for adoption of a taxicab fare increase. Committee Chairman Letteriello explained the specifics to the fare increase that is to be considered by the committee.

Committee Chairman Letteriello asked all committee members for comments on the proposed fare increase. Committee Member Reilly (Laguna Woods) asked for staff to review the fare study report before public comments are solicited. Patrick Sampson (OCTAP Administrator) spoke concerning the fare study report.

Committee Member Reilly (Laguna Woods) asked for more information concerning the proposed increase; inquiring into the criteria that was used to derive at the 4.87

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percent (average) proposed increase. Patrick Sampson (OCTAP Administrator) explained the process used. Committee Member Reilly (Laguna Woods) asked if this increase would bring the industry to current levels. Patrick Sampson (OCTAP Administrator) stated that it would get the industry closer to where it should be.

Public Comments

Member of the public Malik Azhar (TDAOC) spoke to the committees concerning driver's rights; as well as a poll, regarding to the proposed fare increase, independently taken through his web site. Mr. Azhar stated that the result of the poll was that approximately 200 drivers voted against a fare rate increase.

Member of the public Juan Lopez (Orange County Department of Weights and Measures) requested that if the increase is approved, the committee approve a 90-day turnover time for all taximeters to be reset and resealed to the new fare rate.

Member of the public Mehdi Sarreshtedari (Affordable Taxi) spoke to the committee concerning his opposition to a fare rate increase.

Member of the Public Pavlos Giangos (Metro Taxi Cab) spoke concerning his support for a 90-day turnover time for resetting and resealing taximeters if the fare rate increase is approved.

Member of the public Larry Slagle (Yellow Cab of Greater Orange County) spoke to the committees concerning his opposition to a fare rate increase at this time.

Member of the public Ken Neuhoff (1A Green Taxicab, LLC) spoke to the committees concerning his support for a fare rate increase.

With no further public comments, Committee Chairman Letteriello closed the public hearing.

5. Consider Adoption of Taxicab Fare Increase

Committee Chairman Letteriello requested comments from committee members regarding the proposed fare rate increase.

Committee Member Navarrete (Newport Beach) asked if anyone knew the cost to reset and reseal each taximeter.

Committee Member Dreis (Small Taxicab Company Representative) stated that it costs around \$50 for each taximeter, which is normally the company's responsibility.

Committee Member Gray (Large Taxicab Company Representative) stated that his position as a taxicab company is to go along with the consensus. He also stated that companies and drivers can already offer discounts to the metered rate, and that

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the amount of the increase would not profit the company by raising lease rates, but that it would help the drivers when they go to fill their gas tanks. Committee Member Gray also stated that if a fare rate increase is not approved at this time, then the next rate increase would most likely be a greater percentage, causing a greater amount of “sticker shock” to the public.

Committee Member Reilly (Laguna Woods) spoke concerning a proposal to raise fares by approximately 2 percent rather than the 4.87 (average) percent; due to the fact that companies, in the past, voiced their desire to forego increases in fare rates. Committee Member Reilly motioned that fare rates not be increased at this time.

Committee Member Navarrete (Newport Beach) asked if the next fare study would be in January 2014. Patrick Sampson (OCTAP Administrator) stated that the next fare study would be performed in January 2014, but that staff will continue to provide updated CPI and fuel cost data to the committees so that the committees may monitor the trends.

At this time, Committee Member Navarrete (Newport Beach) seconded the motion made by Committee Member Reilly that fare rates not be raised at this time.

Public Comments

Member of the public Mehdi Sarreshtedari (Affordable Taxi) commented that his customers are opposed to a fare rate at this time.

Member of the public Malik Azhar (TDAO) commented that companies want the fare increase for the purpose of making money from the drivers. Mr. Azhar again spoke concerning the poll taken at his web site; which he indicated that most drivers are opposed to the fare rate increase.

Member of the public Ricardo Lara (Union Taxi Cab) commented that the increase is necessary to help drivers make more money.

Member of the public Daniel Benton (California Yellow Cab) commented that the increase is too small, and recommended that the fare rates should be increase today and again the following year.

Member of the public Gerardo Quintana (Union Taxi Cab) commented that drivers have gone a number of years without an increase in their pay.

Member of the public Ken Neuhoff (1A Green Taxi Cab) commented that everything else goes up 5 percent, why not taxi fares? Mr. Neuhoff stated that by the time fare rates are raised, the increase will be at such a high rate that half the public will stop riding taxicabs.

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Member of the public Larry Slagle (Yellow Cab of Greater Orange County) commented that during tough economic times, cab companies and drivers delay purchases, delay preventive maintenance, maintenance costs are moderated and staff positions are cut. Mr. Slagle stated that due to their competition with other transportation services, keeping market share is very important and that a fare increase at this time would jeopardize ridership.

Member of the public Pavlos Giangos (Metro Taxi Cab) commented that a four, five, or six percent increase should be approved on a yearly basis.

Member of the public Juan Lopez (Orange County Department of Weights and Measures) commented concerning the need for the committee to approve a 90-day period for all taximeters to be reset and resealed if the fare increase is approved.

At this time, Committee Chairman Letteriello performed a roll call vote on the motion to not raise taxi fare rates. 10 cities voted yes, Aliso Viejo, Anaheim, Garden Grove, Laguna Woods, Lake Forest, Los Alamitos, Mission Viejo, Newport Beach San Juan Capistrano, and Tustin. 12 cities voted no, Brea, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Laguna Beach, Laguna Niguel, Orange, Santa Ana, Seal Beach, and County of Orange. 1 abstention (Irvine). A majority affirmative vote of all participating agencies was not received; the motion failed.

Committee Chairman Letteriello called for a motion to approve a taxi fare increase as stated in Item 5. Committee Member Adams (Orange) made a motion that the recommended 4.87 (average) percent increase be approved. The motion was seconded by Committee Member Kane (Brea).

Committee Member Navarrete (Newport Beach) asked the Chairman if majority affirmative vote is needed. James Donich (OCTA Legal Counsel) stated that 18 affirmative votes of all member agencies would be needed to pass the motion to raise fare rates; and that if a majority affirmative vote is not received, the motion to approve the recommended fare increase will simply “go away.”

Committee Member Dreis (Small Taxicab Company Representative) stated that increases are not necessarily aligned with the CPI, but are calculated based on the taximeters ability to work with certain amounts and or increments. Committee Member Dreis recommended a fare rate increase structure of \$3 per mile (75 cents each quarter of a mile).

Committee Chairman Letteriello performed a roll call vote on the motion to approve the recommendation to raise fare rates averaging a 4.87 percent increase; and using the recommended fare structure as outlined in Item 5 of the fare study.

The result was 13 cities voted yes, Brea, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Garden Grove, Laguna Beach, Laguna Niguel, Orange, Santa Ana, Seal Beach, and County of Orange. 9 cities voted no, Aliso Viejo,

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Anaheim, Laguna Woods, Lake Forest, Los Alamitos, Mission Viejo, Newport Beach, San Juan Capistrano, and Tustin. 1 abstention (Irvine). Majority vote was not received to approve the average 4.87 percent fare increase; the motion failed.

Discussion Items

6. Steve Parson OCTAP Public Safety Award – 2012 Recipient

The 2012 Steve Parsons Public Safety Award was presented by Patrick Sampson (OCTAP Administrator). The 2012 recipient of the Steve Parsons Public Safety Award was given to the John Wayne Airport Police Services Compliance Team. The compliance team, consisting of Sheriff's Special Officers Todd Calderon, John Harkey, Phil Mejia, Erin Scheppmann, Ben Coltharp, Mike Morris, and Alex Medina, works closely with John Wayne Airport Ground Operations management and staff to assure effective compliance of airport codes and the OCTAP regulations.

7. OCTAP Staff Updates

Patrick Sampson (OCTAP Administrator) spoke to the committees concerning staff updates. In regards to advertising language, Mr. Sampson stated that the committees at the last meeting directed staff to look at the language OCTA uses for bus advertising, to decide what types of advertisements are permitted to develop language that could ultimately be included in a future revision to the OCTAP regulations. Mr. Sampson stated that the information received so far is still very generic in nature and not specific enough to come back to the committees with a recommendation at this time. Mr. Sampson stated that staff is still working on the issue.

Patrick Sampson (OCTAP Administrator) spoke concerning enforcement of electronic credit card processing. Since companies and drivers are consistently changing and using different systems, staff has struggled in the past with testing compliance with this requirement. Mr. Sampson stated that in order to effectively test the different systems used to electronically process credit cards, OCTAP Code Administrators have been issued credit cards for the purpose of testing compliance with electronic credit card processing when performing vehicle inspections, both at the OCTAP facility and in the field. Mr. Sampson stated that vehicles are removed from service if the driver cannot electronically process a credit card.

Patrick Sampson (OCTAP Administrator) spoke concerning bringing the initial background check and the subsequent arrest program, for driver permit and company permit applicants, to the federal level. Mr. Sampson stated that the OCTA Board of Directors has passed a resolution that will allow OCTAP to perform federal level background checks. The reason for this change is that over the last couple of years, OCTAP was not made aware of several applicants that had disqualifying convictions outside of the State of California. OCTAP is currently in the application

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process to begin performing federal checks. Mr. Sampson stated that he would keep the committees updated on this issue.

Patrick Sampson (OCTAP Administrator) stated that staff is actively in the community performing coordinated enforcement and outreach activities. Mr. Sampson stated that staff was recently in the City of Laguna Woods at a public transportation meeting, educating the residents about taxicab services.

Committee Member Dixon (Mission Viejo) updated the committees concerning the sting operations performed in the City of Mission Viejo; which mainly targeted non-emergency medical transportation services. Committee Member Dixon stated that they used CPUC codes and city municipal codes for violations of operating without a driver permit and vehicle permit; and used CPUC codes for violations of the CPUC exemption code related to requirements for non-emergency medical transportation services operating under that exemption. Committee Member Dixon stated that five transportation services were contacted, three arrived and three were cited for violations. Committee Member Dixon stated that due to issues with using CPUC codes, all violations were filed and the operators were fined, using city municipal codes. Committee Member Dixon stated that this type of enforcement sting assists the taxicab industry by ensuring non-emergency medical transportation services do what they are suppose to be doing.

Patrick Sampson (OCTAP Administrator) stated that the reason for the bandit stings is to educate and enforce. Mr. Sampson stated that many of the non-emergency medical transportation services are declining trips that are not medical in nature. The stings seem to be working and the industry seems to be learning.

Committee Member Ledbetter (Fullerton) updated the committees concerning a recent sting operation performed in the City of Fullerton, which mainly targeted non-emergency medical transportation services. Committee Member Ledbetter stated that six appointments were set up in half hour intervals (though 45 minute intervals are needed). Four operators were cited using city municipal codes and several California Vehicle Code (CVC) violations; all pled guilty. Committee Member Ledbetter stated that one operator that did show, contacted through Craig's List, was in a car borrowed from his mother. Committee Member Ledbetter stated that after the sting, as a result of his follow up measures, he was informed that CPUC representatives would be willing to come out and assist in future enforcement operations.

Patrick Sampson (OCTAP Administrator) emphasized the importance of these stings, and offered staff support and administrative services to any agency who would like to coordinate and participate in enforcement operations.

8. Committees Representatives Reports

No comments or reports were received from committee members.

9. Public Comments

Member of the public Malik Azhar (TDAOC) thanked the committee members for not passing the fare rate increase, stating that it was a victory for drivers. Mr. Azhar also commented that enforcement should be concentrated in the cities of Santa Ana, Anaheim, Orange, and Fullerton. Mr. Azhar also commented concerning corruption; specifically in major hotels in the City of Anaheim and that bellman take money to give fares to TCP vehicles.

Member of the public Mehdi Sarreshtedari (Affordable Taxi) commented that the Large Taxicab Company Representative, serving as the Steering Committee Vice Chair might cause a conflict.

Member of the public Ken Neuhoff (1A Green Taxi Cab) commented that there should be an extra charge for additional passengers, or a minimum gratuity of \$1 per passenger. Mr. Neuhoff also commented that it did not make sense to not approve a fare rate increase because drivers have gone several years without an increase.

10. Adjournment

The meeting was adjourned at 1:38 p.m. The next regularly scheduled meeting of the OCTAP Joint Meeting of the Steering Committee and Safety Committee will be held at 12:00 p.m. on April 18, 2013, at 11800 Woodbury Road, OCTA Garden Grove Bus Base Annex, 2nd floor, Room #219-220, Garden Grove, CA 92843.

Meeting signs will be posted on the day of the meeting. For additional information on meeting location, or for directions, please contact OCTAP at octaxi@octa.net or (949) 654-8294.

All attachments to the minutes of the meeting are on file and available upon request from the OCTAP office through octaxi@octa.net or (949) 654-8294.



April 18, 2013

To: OCTAP Steering and Safety Committees

From: Jo-Ann Gadia Bravo, Deputy OCTAP Administrator

Subject: OCTAP Quarterly Operations and Financial Reports

Attached is the Orange County Taxi Administration Program (OCTAP) Quarterly Operations Report for the period of January 2013 through March 2013. Information in the quarterly operations report is based on actual events during the reporting period. In addition, the attached Financial Report provides a summary of revenue and expenditures for December 2012 through February 2013. March 2013 is not included in the report because March financial statements are not available until after the committees meet.

On February 6 and 13, 2013, OCTAP staff supported Orange County Sheriff's Department personnel and John Wayne Airport (JWA) Ground Operations personnel in performing high profile enforcement at JWA. There were 285 taxicab contacts, 12 vehicles were removed from service, and 14 OCTAP administrative actions were issued to the taxicab companies and drivers for violations of OCTAP regulations for both enforcement days.

Updated CPI and Fuel Cost data is included as Attachment 3. Included as Attachment 4, is a copy of the most recent OCTA Finance and Administration Internal Audit Report. The audit consisted of reviewing OCTAP policies, procedures, permitting process, cash handling, inventory, and related controls. The report found OCTAP to be compliant with OCTA policies, and highlighted several noteworthy accomplishments.

Please feel free to provide any comments or suggestions that you may have regarding report content or report format to OCTAP staff.

Attachments:

1. OCTAP Quarterly Operations Report – January 1, 2013 through March 31, 2013
2. OCTAP Financial Report, Fiscal Year 2012-13, December 2012 – February 2013
3. Updated CPI and Fuel Cost Historical Data
4. Internal Audit Report

**OCTAP Quarterly Operations Report
January 2013 to March 2013**

OCTAP Revenue	Jan 2013	Feb 2013	Mar 2013	Quarter Total
Company Permit Fees	\$5,700	\$2,850.00	\$8,545	\$17,095
Annual Vehicle Inspection	\$26,065	\$30,477	\$35,689	\$92,231
Vehicle Re-inspection Fees	\$2,445	\$3,947	\$2,682	\$9,074
Vehicle Permit Late Fees	\$988	\$58	\$522	\$1,568
Vehicle Permit Transfer Fee	\$0	\$0	\$0	\$0
Vehicle Permit Replacement	\$162	\$162	\$108	\$432
Total Vehicle Permit Fees	\$29,660	\$34,644	\$39,001	\$103,305
Annual Driver Permit Fees	\$16,478	\$13,911	\$16,586	\$46,975
Driver Permit Re-Instatement	\$60	\$160	\$60	\$280
Driver Replacement Fees	\$45	\$60	\$60	\$165
Driver Permit Transfer Fees	\$700	\$687	\$580	\$1,967
Driver Permit Late Fees	\$261	\$464	\$203	\$928
Total Driver Permit Fees	\$17,544	\$15,282	\$17,489	\$50,315
Administrative Fines	\$400	\$150	\$1,000	\$1,550
Revenue Total	\$53,304.00	\$52,926.00	\$66,035.00	\$172,265.00

OCTAP Statistics	Jan 2013	Feb 2013	Mar 2013	Average or Total
Company Permits	35	35	35	35
Vehicle Permits	1116	1120	1122	1119
Vehicle Re-inspections	20	31	21	24
Driver Permits	1494	1541	1544	1,526
Complaints and Incidents	3	3	6	12
Random Inspections	32	36	5	73
Random Inspection % Failed	9%	22%	20%	16%
Appeals Hearing	1	3	3	7
Appeals Hearing Upheld %	100%	67%	100%	86%
Administrative Actions	18	34	7	59
Other Enforcement	64	405	100	569
Permit Action Taken %	0%	4%	5%	4%

Complaints And Incidents	Jan 2013	Feb 2013	Mar 2013	Total
Bandit Report	0	0	0	0
Credit Card	0	0	1	1
Fare Dispute	1	0	2	3
Lost and Found	0	0	0	0
Taxicab Driver Complaint	2	3	1	6
Taxicab Company Complaint	0	0	2	2
Other * (See Comments)	0	0	0	0
Total	3	3	6	12

* Other includes : N/A

Complaint and Incident Areas Include:

Driver texting while driving; customer felt threatened by the way the driver was driving; fare dispute, customer's credit card was overcharged; taxicab driver was 20 minutes late; customer left his cell phone in the taxicab; taxicab smelled like marijuana; credit card machine was not working; driver was argumentative and rude; two incidents of customers being overcharged by the driver; related to vehicle age and company management was disrespectful to their drivers.

Number of Vehicle Permits	Jan 2013	Feb 2013	Mar 2013
1A Green Taxicab, LLC	1	1	1
24/7 Yellow Cab	56	59	66
A Taxi Cab	306	308	481
ABC Ride Taxi	12	10	15
Access Taxi Yellow Cab	1	1	1
Active Taxi	11	9	13
Advanced Yellow Cab	1	1	1
Affordable Taxi	1	1	1
American Flag Yellow Cab	4	4	4
An OC Taxi Graph	1	1	1
CABCO	215	218	302
Checker Cab Co.	12	12	14
Ciao Taxi	3	3	5
Coastal Taxi	5	7	9
County Cab	7	7	7
Discount Cab Fares	2	2	4
Downtown Huntington Beach	11	12	12
Fiesta Taxi	2	2	3
Go Yellow Taxi Inc.	11	10	11
Happy Taxi	9	10	9
Huntington Beach Yellow	26	22	23
Long Beach Yellow Cab	12	13	18
Metro Taxi	7	7	13
Newport Beach Cab	8	8	8
Nova Car	1	1	1
Orange County Taxi	12	11	13
Orange County Yellow Cab	12	12	21
Orange Taxi Cab	6	5	5
Pier Yellow Cab	12	13	14
Surf Side Taxi	3	3	3
Taxi Maxi	12	12	14
Union Taxi Cab	17	19	28
USA Green Group	7	7	12
White Cab Co.	5	5	5
YCGOC	305	304	406
Total	1116	1120	1544

Random Inspections	Jan 2013	Feb 2013	Mar 2013	Random
1A Green Taxicab, LLC	0	0	0	0
24/7 Yellow Cab	4	1	1	6
A Taxi Cab	7	12	2	21
ABC Ride Taxi	2	0	0	2
Access Taxi Yellow Cab	1	0	0	1
Active Taxi	0	0	0	0
Advanced Yellow Cab	0	0	0	0
Affordable Taxi	1	0	0	1
American Flag Yellow Cab	0	0	0	0
An OC Taxi Graph	1	0	0	1
CABCO	3	5	0	8
Checker Cab Co.	0	0	0	0
Ciao Taxi	0	0	0	0
Coastal Taxi	0	0	0	0
County Cab	1	0	0	1
Discount Cab Fares	0	0	0	0
Downtown Huntington Beach	0	0	0	0
Fiesta Taxi	0	0	0	0
Go Yellow Taxi Inc.	1	2	0	3
Happy Taxi	0	0	0	0
Huntington Beach Yellow	0	0	0	0
Long Beach Yellow Cab	0	0	0	0
Metro Taxi	1	0	0	1
Newport Beach Cab	0	2	0	2
Nova Car	1	0	0	1
Orange County Taxi	0	1	0	1
Orange County Yellow Cab	0	1	0	1
Orange Taxi Cab	0	1	0	1
Pier Yellow Cab	1	0	0	1
Surf Side Taxi	1	0	0	1
Taxi Maxi	1	1	0	2
Union Taxi Cab	3	2	1	6
USA Green Group	0	1	0	1
White Cab Co.	2	0	0	2
YCGOC	1	7	1	9
Total	32	36	5	73
Random Inspection In-Service Failures	2	4	0	6
Random Inspection Out-Of-Service Failures	1	4	1	6
% Failed	9%	22%	20%	16%

Vehicles that failed-in service random inspections in the following areas:

Decals in the right front door and rear door were not part of the company's approved color scheme and markings; left headlamp was not working and decal in the rear door was not part of the company's approved color scheme and markings; interior lights do not auto-activate and overall condition of the paint was moderately chipped; damaged right rear door and overall paint condition was moderately faded; rear carpet was torn, small dent on the right front panel, rear license plate light was out, and overall paint condition was moderately chipped; tear on the rear bench seat, and overall paint condition was severely faded, chipped and mismatched.

Vehicles that failed out-of-service random inspections in the following areas:

Mismatched wheel covers and hubcaps on all four tires, invalid paper seal in the meter, middle rear seatbelt does not work, driver side compartment was dirty and trunk was cluttered with personal effects; license plate number on the registration did not match the license plates that were in the vehicle; minor damage on the left rear panel, driver compartment and rear seats were extremely cluttered and dirty, all hubcaps and wheel covers were dirty, and luggage area was cluttered with personal effects; left and right front tires were bald and showing metal, and air-conditioning system was not properly working; heating system was not working, overall condition of the vehicle interior and exterior was extremely dirty, overall paint condition was chipped and scratched and old markings were still visible; luggage area was extremely dirty and cluttered, upholstery was stained and soiled with dirt, third brake light was out, interior lights do not auto-activate, left rear lens was cracked, all wheels and hubcaps were dirty; and driver was not able to process credit card electronically.

Appeals Hearings	Jan 2013	Feb 2013	Mar 2013	Total
Denials	0	2	1	3
Revocations	1	1	1	3
Suspensions	0	0	0	0
Fines	0	0	1	1
Violations	0	0	0	0
Other *	0	0	0	0
Total	1	3	3	7
Actions Upheld On Appeal	1	2	3	6
% Upheld	100%	67%	100%	86%

* Other includes : N/A

Appeals hearing reversals occurred in the following areas:

The appeals hearing panel granted a conditional permit for a period of one year.

Administrative Actions	Jan 2013	Feb 2013	Mar 2013	Total
Administrative Hearing	1	2	0	3
Warnings	12	5	1	18
Fines	1	21	3	25
Suspensions	1	1	0	2
Denials	3	1	3	7
Revocations	0	4	0	4
Total	18	34	7	59

Administrative action areas include:

Failed criminal background check; failure to provide 24-hour live human response telephone service; failure to include permit number in advertising; late company permit renewal; driver permit not properly posted; disqualifying criminal charges; failed criminal background check; non-cooperation with law enforcement during a random vehicle inspection; non-cooperation with OCTAP staff during random vehicle inspection; failure to include permit number in advertising; driver charging more than the metered amount; warnings were issued to two drivers for driver in possession of another driver's permit; no proof of vehicle registration in possession; fines were issued to five drivers for smoking inside taxicab; fines were issued to two drivers for not displaying their driver permit; fines were issued to four drivers for not having their driver permit in their possession; fines were issued to two drivers for no proof of vehicle registration and insurance; fines were issued to three drivers for no proof of insurance; fines were issued to two drivers for expired vehicle registration; fines were issued to two taxicab companies for expired vehicle registration; non-cooperation with OCTAP staff during random vehicle inspection; failed criminal background check; failure to include permit number in advertising; no proof of vehicle insurance and registration; fines were issued to a two drivers and to the taxicab companies that they drive for, for expired registration; suspended driver's license; no proof of insurance in possession; and disqualifying criminal charges.

Other Enforcement	Jan 2013	Feb 2013	Mar 2013	Total
Company Compliance Check	35	35	35	105
Web Content Checks	4	9	3	16
Public Outreach	1	2	0	3
Observation Or Contact (No Violation/Warning Issued)	24	344	59	427
Warnings Issued	0	2	0	2
Violations Issued	0	13	3	16
Total	64	405	100	569
% OCTAP Permit Action	0%	4%	5%	4%

Activity Highlights:

Company Compliance Checks: 24-hour Live Human Dispatch Check. Web Content: Performed research from Craig list, Google, YouTube, and taxi operator websites for advertising contents. Public Outreach: OCTAP staff attended the Laguna Woods Bus Information Meeting and presented information about bandit enforcement activities and taxicab regulations; attended the Crime Alert Network, Anaheim Tourism Oriented Policing (TOP) in February and presented information about the proposed taxicab fare increase, which was not approved. OCTAP staff distributed outreach materials, business cards, and spoke to the representatives of the following hotels and establishment about taxicab activities and TCP issues: Hyatt Alicante in Garden Grove Hilton in Anaheim, and Hyatt in Huntington Beach. OCTAP staff Joint Enforcement: OCTAP conducted a joint enforcement with John Wayne Airport officers and staff on February 6 and 13.

**Orange County Tax Administration Program
Financial Report
Fiscal Year 2012-13
December 2012 - February 2013**

	Budgeted	December 2012	January 2013	February 2013	Total to Date	Budget to Actual Under/(Over)
Revenues						
Company Permits	\$45,600.00	\$2,904.00	\$5,700.00	\$2,850.00	\$41,788.90	\$3,811.10
Vehicle Permits	\$447,627.00	\$41,021.00	\$26,904.00	\$34,644.00	\$334,167.00	\$113,460.00
Driver Permits	\$183,354.00	\$13,421.00	\$21,253.00	\$15,432.00	\$135,311.00	\$48,043.00
Interest/Investment Earnings	\$8,158.00	\$884.61	\$1,103.64	\$1,126.44	\$8,096.53	\$61.47
Other Misc. Revenue & Fines	\$4,000.00	\$350.00	\$0.00	\$0.00	\$2,900.00	\$1,100.00
Use of Reserves	\$0.00				\$0.00	\$0.00
Total Revenues	\$688,739.00	\$58,580.61	\$54,960.64	\$54,052.44	\$522,263.43	\$166,475.57

	Budgeted	December 2012	January 2013	February 2013	Total to Date	Budget to Actual Under/(Over)
Expenditures						
Salaries & Benefits	\$367,227.00	\$35,320.77	\$30,725.64	\$32,296.98	\$239,047.72	\$128,179.28
Professional Services - Legal	\$25,000.00	\$6,116.60	\$2,091.18	\$1,357.20	\$23,659.53	\$1,340.47
Professional Services - Other	\$58,000.00				\$0.00	\$58,000.00
Investment Fee - Portfolio Manager	\$665.00	\$231.09	\$39.95	\$197.45	\$442.79	\$222.21
Telephone	\$15,000.00				\$0.00	\$15,000.00
Internet Expenses	\$500.00				\$0.00	\$500.00
Travel	\$2,495.00			\$2.00	\$1,906.58	\$588.42
Mileage	\$45.00		\$31.64	\$47.01	\$135.82	(\$90.82)
Training & Registration Fees	\$2,345.00				\$750.00	\$1,595.00
Printing	\$1,000.00				\$0.00	\$1,000.00
Office Supplies & Equipment	\$29,558.00	\$1,832.66	\$689.01	\$635.93	\$7,473.80	\$22,084.20
Subscriptions, Books, & Periodicals	\$250.00				\$116.33	\$133.67
Dues & Memberships	\$989.00		\$1,005.00		\$1,005.00	(\$16.00)
Business Expenses	\$2,205.00		\$173.88	\$438.18	\$1,558.11	\$646.89
General Equipment	\$0.00				\$0.00	\$0.00
Administrative Services	\$152,236.00	(\$53,739.12)	\$17,262.29	\$17,262.29	\$138,098.32	\$14,137.68
Security Services	\$26,151.00	\$1,498.76	\$1,961.71		\$14,109.48	\$12,041.52
Total Expenses	\$683,666.00	(\$8,739.24)	\$53,980.30	\$52,237.04	\$428,303.48	\$255,362.52

Change in Net Assets

\$67,319.85	\$980.34	\$1,815.40
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Beginning Fund Balance

\$747,537.16	\$814,857.01	\$815,837.35
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Change In Net Assets

\$67,319.85	\$980.34	\$1,815.40
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Ending Fund Balance

\$814,857.01	\$815,837.35	\$817,652.75
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*July 2012 Interest on Investments adjusted by -\$337.06 as unrealized gains.

CPI Historical Data

Year	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Annual Avg.	% Change Dec to Dec	Annual Avg % Change
2007	202.4	203.5	205.4	206.7	207.9	208.4	208.3	207.9	208.5	208.9	210.2	210.0	207.3		
2008	211.1	211.7	213.5	214.8	216.6	218.8	220.0	219.1	218.8	216.6	212.4	210.2	215.3	0.09%	3.84%
2009	211.1	212.2	212.7	213.2	213.9	215.7	215.4	215.8	216.0	216.2	216.3	215.9	214.5	2.72%	-0.36%
2010	216.7	216.7	217.6	218.0	218.2	218.0	218.0	218.3	218.4	218.7	218.8	219.2	218.1	1.50%	1.64%
2011	220.2	221.3	223.5	224.9	226.0	225.7	225.9	226.5	226.9	226.4	226.2	225.7	224.9	2.96%	3.16%
2012	226.7	227.7	229.4	230.1	229.8	229.5	229.1	230.4	231.4	231.3	230.2	229.6	229.6	1.74%	2.07%
2013	230.2	232.1											231.2		0.68%

% Change														
Year	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Annual Avg.	
2007 to 2008	4.10%	3.87%	3.83%	3.79%	4.01%	4.78%	5.30%	5.10%	4.70%	3.53%	1.06%	0.09%	3.68%	
2008 to 2009	0.03%	0.24%	-0.39%	-0.74%	-1.30%	-1.45%	-2.14%	-1.51%	-1.30%	-0.18%	1.81%	2.65%	-0.36%	
2009 to 2010	2.56%	2.10%	2.26%	2.19%	1.98%	1.04%	1.22%	1.14%	1.13%	1.16%	1.13%	1.47%	1.61%	
2010 to 2011	1.61%	2.06%	2.61%	3.07%	3.45%	3.44%	3.50%	3.63%	3.72%	3.41%	3.28%	2.88%	3.05%	
2011 to 2012	2.84%	2.79%	2.58%	2.25%	1.68%	1.64%	1.39%	1.66%	1.95%	2.11%	1.72%			
2012 to 2013	1.54%	1.91%												

2008 to 2011 Change	4.33%	4.54%	4.65%	4.69%	4.31%	3.16%	2.71%	3.40%	3.71%	4.55%	6.50%	7.35%	4.48%	
2011 to 2013 Change	2.93%	2.87%												

* March CPI Numbers Due To Be Published 04/16/2013

Fuel Cost Historical Data

Year	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Annual Avg.	% Change Dec to Dec	Annual Avg % Change
2007	\$2.616	\$2.713	\$3.105	\$3.339	\$3.485	\$3.329	\$3.174	\$2.948	\$2.922	\$3.112	\$3.394	\$3.353	\$3.124		
2008	\$3.296	\$3.231	\$3.609	\$3.846	\$4.015	\$4.531	\$4.511	\$4.128	\$3.842	\$3.440	\$2.507	\$1.871	\$3.569	-44.20%	14.24%
2009	\$2.051	\$2.265	\$2.239	\$2.377	\$2.531	\$2.969	\$2.920	\$3.057	\$3.169	\$3.062	\$3.006	\$2.964	\$2.718	58.42%	-23.86%
2010	\$3.065	\$2.993	\$3.104	\$3.138	\$3.136	\$3.134	\$3.171	\$3.186	\$3.064	\$3.146	\$3.205	\$3.297	\$3.137	11.23%	15.42%
2011	\$3.389	\$3.576	\$4.002	\$4.206	\$4.229	\$3.965	\$3.844	\$3.823	\$3.971	\$3.890	\$3.848	\$3.648	\$3.866	10.65%	23.25%
2012	\$3.747	\$4.027	\$4.414	\$4.292	\$4.353	\$4.133	\$3.821	\$4.109	\$4.211	\$4.458	\$3.893	\$3.628	\$4.091	-0.55%	5.81%
2013	\$3.678	\$4.127	\$4.192										\$3.999	-100.00%	-2.24%

Year	% Change												
	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Annual Avg.
2007 to 2008	25.99%	19.09%	16.23%	15.18%	15.21%	36.11%	42.12%	40.03%	31.49%	10.54%	-26.13%	-44.20%	14.24%
2008 to 2009	-37.77%	-29.90%	-37.96%	-38.20%	-36.96%	-34.47%	-35.27%	-25.94%	-17.52%	-10.99%	19.90%	58.42%	-23.86%
2009 to 2010	49.44%	32.14%	38.63%	32.02%	23.90%	5.56%	8.60%	4.22%	-3.31%	2.74%	6.62%	11.23%	15.42%
2010 to 2011	10.57%	19.48%	28.93%	34.03%	34.85%	26.52%	21.22%	19.99%	29.60%	23.65%	20.06%	10.65%	23.25%
2011 to 2012	10.56%	12.61%	10.29%	2.04%	2.93%	4.24%	-0.60%	7.48%	6.04%	14.60%	1.17%	-0.55%	5.81%
2012 to 2013	-1.84%	2.48%	-5.03%										-2.24%

2008 to 2011 Change	13.68%	24.64%	22.31%	11.60%	8.42%	-8.78%	-15.30%	-0.46%	9.60%	29.59%	55.29%	93.91%	14.61%
2011 to 2013 Change	8.53%	15.41%	4.75%										

Using Department Of Energy Retail Gasoline Pricing information, monthly average, for "All Grades - Reformulated Areas" gasoline.



BOARD COMMITTEE TRANSMITTAL

March 25, 2013

To: Members of the Board of Directors
From: Wendy Knowles, ^{WK} Clerk of the Board
Subject: Review of Orange County Taxi Administration Program Operations

Finance and Administration Committee Meeting of March 13, 2013

Present: Directors Hennessey, Jones, Lalloway, Moorlach, Pulido, and Ury
Absent: Directors Bates and Spitzer

Committee Vote

This item was passed by the Members present.

Director Pulido was not present to vote on this item.

Committee Recommendation

Receive and file Review of Orange County Taxi Administration Program Operations, Internal Audit Report No. 13-516.



ORANGE COUNTY TRANSPORTATION AUTHORITY

**Review of Orange County Taxi Administration Program
Operations**

Staff Report



March 13, 2013

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Review of Orange County Taxi Administration Program Operations

Overview

The Internal Audit Department has completed a review of operations of the Orange County Taxi Administration Program. Based on this review, Orange County Taxi Administration Program operations are consistent with the requirements set forth in California Government Code 53075.5, as well as the Regulations of the Orange County Taxi Administration Program. Additionally, policies and procedures and related controls over the permitting process, cash receipts, and inventory are adequate.

Recommendation

Receive and file Review of Orange County Taxi Administration Program Operations, Internal Audit Report No. 13-516.

Background

The Orange County Taxi Administration Program (OCTAP) is a voluntary association of Orange County cities and the County of Orange created to coordinate taxicab service, permitting, and other administration, which is managed by the Orange County Transportation Authority (OCTA). The objective of OCTAP is to increase public safety, reduce administrative costs for the public and private sector, and expand the provision of private transportation service in Orange County. OCTAP is managed by the Motorist Services and Special Projects Department of the Transit Division of OCTA (Motorist Services). OCTAP is staffed with four full-time employees and is overseen by the Motorist Services Manager. Staff evaluates permit applications, performs taxicab inspections, verifies insurance policies and Department of Motor Vehicle records, issues permits, and provides information and materials to taxicab companies and drivers. Additionally, staff performs studies, makes recommendations, and prepares reports for the steering and safety committees.

Discussion

The Internal Audit Department (Internal Audit) reviewed OCTAP operations and identified key improvements implemented since the prior review. First, OCTAP has improved the design of the Regional Taxicab Regulation and Cataloging System database system enabling staff to electronically track all issued permits as well as the detailed results of inspections performed. These improvements allow staff to monitor company, vehicle, and driver permits and identify compliance issues. With this information, staff identifies commonly flagged areas and develops campaigns to educate taxicab companies about requirements.

OCTAP has also increased its enforcement activities. Staff now performs random vehicle inspections and cursory inspections to more effectively test compliance with certain OCTAP Regulations, such as driver possession of a valid license, registration, and insurance information while operating the taxi, displaying current meter seals, having the ability to process credit cards, and issuance of paper receipts. During the fiscal year 2011-12, OCTAP staff performed 344 random vehicle inspections as well as 1,062 field enforcement inspections.

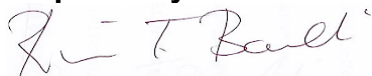
Summary

The Orange County Taxi Administration Program operations are consistent with the requirements set forth in California Government Code 53075.5 as well as the Regulations of the Orange County Taxi Administration Program. Additionally, Internal Audit has determined that policies and procedures and related controls over the permitting process, cash receipts, and inventory are adequate.

Attachment

- A. Review of Orange County Taxi Administration Program Operations, Internal Audit Report No. 13-516

Prepared by:



Ricco Bonelli
Senior Internal Auditor
714-560-5384

Approved by:



Janet Sutter
Executive Director, Internal Audit
714-560-5591



ORANGE COUNTY TRANSPORTATION AUTHORITY

**Review of Orange County Taxi Administration Program
Operations**

Attachment A

ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT



Review of Orange County Taxi Administration Program Operations

Internal Audit Report No. 13-516

March 1, 2013



Internal Audit Team: Janet Sutter, CIA, Executive Director
Ricco Bonelli, CIA, Senior Internal Auditor

**ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Review of OCTAP Operations
March 1, 2013**

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**ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Review of OCTAP Operations
March 1, 2013**

Conclusion

The Internal Audit Department (Internal Audit) has completed a review of the Orange County Taxi Administration Program (OCTAP) operations. Based on the review, OCTAP operations are consistent with the requirements set forth in California Government Code 53075.5 (California Government Code) as well as the Regulations of the OCTAP (Regulations). Additionally, policies and procedures and related controls over the permitting process, cash receipts, and inventory are adequate.

Background

OCTAP is a voluntary association of Orange County cities and the County of Orange created to coordinate taxicab service, permitting, and other administrative functions, which is managed by the Orange County Transportation Authority (OCTA). The objective of OCTAP is to increase public safety, reduce administrative costs for the public and private sector, and expand the provision of private transportation service in Orange County. OCTAP is managed by the Motorist Services and Special Projects Department of the Transit Division of OCTA (Motorist Services). OCTAP is staffed with four full-time employees and overseen by the Motorist Services Manager. Staff evaluates permit applications, performs taxicab inspections, verifies insurance policies and Department of Motor Vehicle records, issues permits, and provides information and materials to taxicab companies and drivers. Additionally, staff performs studies, makes recommendations, and prepares reports for the steering and safety committees. Although the OCTAP Department is responsible for ensuring that taxicab companies, vehicles, and drivers comply with OCTAP Regulations, OCTA does not assume liability for the performance of companies, drivers, or vehicles.

OCTAP Committees

OCTAP is guided by two committees, the OCTAP Steering Committee (Steering Committee) and the OCTAP Safety Committee (Safety Committee). The primary duty of the Steering Committee is to adopt policies, rules, and procedures to assist OCTA in the administration of the OCTAP program. The Steering Committee consists of the city manager, executive officer, or their designee, from each agency, two representatives of the permitted taxicab companies chosen by all permitted taxicab companies, and one representative of the tourist industry in Orange County. The Safety Committee is comprised of a law enforcement representative from each participating agency, and it guides OCTAP on issues of public safety. Both committees meet on a quarterly basis.

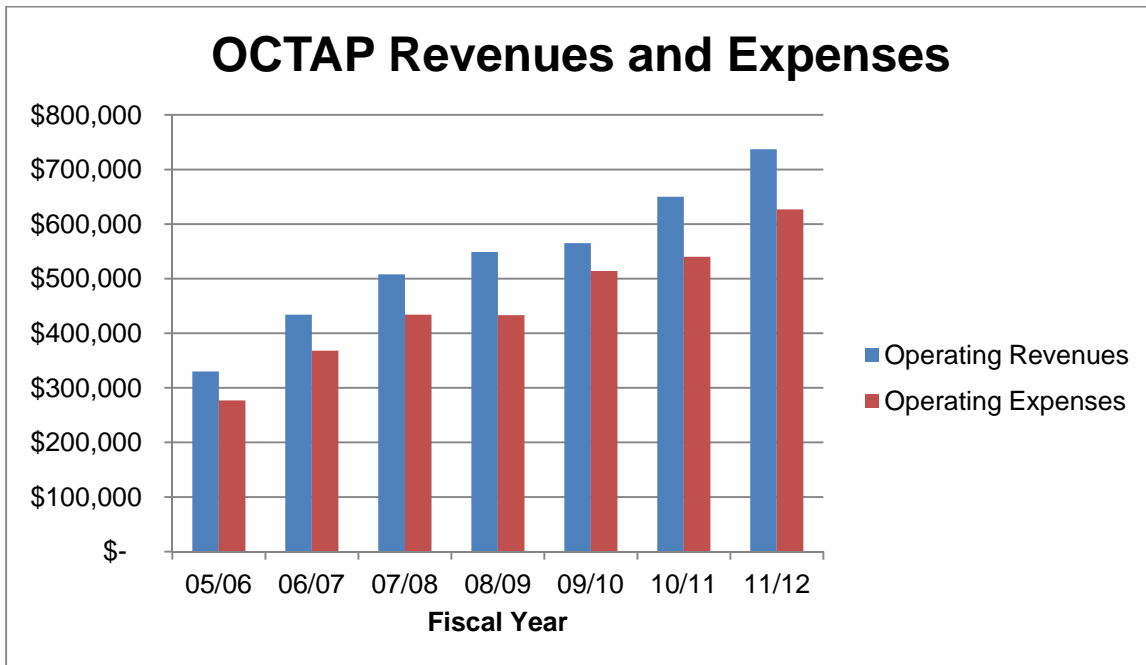
**ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Review of OCTAP Operations
March 1, 2013**

OCTAP Operations

OCTAP Regulations are adopted by all participating agencies and implement the provisions of taxicab ordinances, resolutions, and regulations approved by the legislative bodies of each participating agency. OCTAP management has developed policies and procedures to ensure compliance with OCTAP Regulations and California Government Code. Policies and procedures are designed to work in tandem with the Regulations. While the Regulations are the “rules” of the program, the policies and procedures are designed to provide guidance on how the program is to be administered.

Growth in Operations

At the time of the last audit of OCTAP, in November 2006, there were 19 taxicab companies, 734 taxicabs, and 1,063 taxi drivers permitted to operate within Orange County. As of December 2012, there are now 35 taxicab companies, 1,113 taxicabs, and 1,555 taxi drivers permitted to operate in Orange County. From the fiscal year ended June 30, 2006, to the fiscal year ended June 30, 2012, OCTAP operating revenue has increased from \$330,000 to \$737,000, an increase of 123 percent over six years. The following chart illustrates OCTAP operating revenues and expenses for the past six fiscal years.¹



¹ Operating Revenues and Expenses figures were obtained from audited OCTA financial statements.

**ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Review of OCTAP Operations
March 1, 2013**

OCTAP is a self-funded program of the OCTA. OCTAP revenues consist of permit fees and fines collected from taxicab companies and drivers, and its expenses are primarily wages and administrative costs. Permit fees are set at levels designed to recover the costs incurred by OCTA for administering OCTAP.

Objectives, Scope and Methodology

The objective was to evaluate OCTAP's operations and related controls over compliance with the California Government Code and OCTAP Regulations.

The methodology consisted of reviewing the California Government Code, OCTAP Regulations, and OCTAP Policies and Procedures, identification and testing of controls over OCTAP operations including permit processing, cash receipts, and inventory controls, and testing of these activities for compliance with internal policies and procedures as well as California Government Code requirements.

The scope was limited to activities related to OCTAP operations during fiscal year 2011-12. The scope included review of OCTAP permit files, revenue logs, permit inventory, and electronic data extracted from the OCTAP database.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

**ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Review of OCTAP Operations
March 1, 2013**

Audit Comments, Recommendations and Management Responses

Noteworthy Accomplishments

The OCTAP Dection has made key improvements in its operations over the last several years. First, staff has improved the design and information included in the Regional Taxicab Regulation and Cataloging System database system (system) to allow the system to record and track all taxicab, vehicle, and driver permits. This greatly improved the way data is collected, arranged and stored, allowing for improved information and better monitoring of the permit process.

Another improvement has been the input of inspection results in the system, which allows staff to run queries and identify problem areas and/or trends that require attention. Staff now monitors information and develops campaigns designed to educate taxicab companies about areas that are commonly flagged during vehicle inspection. Staff is working to further streamline the vehicle inspection process by utilizing tablets to record inspection results so that information can be automatically uploaded into the system. This will increase worker efficiency as well as reduce the use of paper files and related storage costs.

OCTAP has also increased its enforcement activities. Staff now performs random vehicle inspections and cursory inspections to more effectively test compliance with certain Regulations, such as driver possession of a valid license, registration, and insurance information while operating the taxi, displaying current meter seals, having the ability to process credit cards, and issuance of paper receipts. During the fiscal year 2011-12, OCTAP staff performed 344 random vehicle inspections as well as 1,062 field enforcement inspections.

April 18, 2013

To: OCTAP Steering and Safety Committees

From: Patrick Sampson, OCTAP Administrator

Subject: Advertising on Taxicab Vehicles

Overview

The Orange County Taxi Administration Program (OCTAP) occasionally receives inquiries from taxicab companies and marketing firms regarding the placement of advertisements on the exterior of taxicab vehicles. Taxicab advertisements are often seen by the industry as an opportunity for additional income that may help to offset other costs and lower lease rates for cab drivers.

OCTAP regulation section 8.2.5 (color scheme) does not provide specific language related to advertisement on taxicabs. OCTAP has traditionally taken the position that, because the regulation language does not specifically allow for advertisement, advertising is not allowed.

Background

At the October 18, 2012 Steering and Safety Committee meeting, advertising on OCTAP permitted taxicab vehicles was discussed.

Since taxicab regulation is coordinated by the member agencies (cities), the issue must be decided by the member agencies, (cities) and that any substantive change to the regulation, would need to go back to the city councils for approval.

Several taxicab companies and committee members have supported advertisement on taxicabs, indicating that advertisements are a revenue stream that may help to offset other costs.

The Steering Committee directed OCTAP staff to draft regulation language allowing advertising on taxicab vehicles for committee consideration.

Discussion

OCTAP contacted other Southern California area taxicab regulating entities regarding exterior advertisements on taxicab vehicles. A summary of responses is available as Attachment A.

OCTAP staff sent a poll to all permitted taxicab companies via fax, and email, asking for their input on exterior advertisement on taxicabs. Six of thirty-two permitted taxicab companies have responded, with four companies supporting advertising on taxicab vehicles, one company supporting advertising only for specific non-profit charity campaigns, and one company opposing advertising on taxicab vehicles. A breakdown of the poll results is included as Attachment B of this staff report.

At a minimum, exterior advertising on taxicab vehicles, if allowed, must meet all California Vehicle Code requirements, and must be approved by OCTAP as part of the company color scheme and markings. No taxicab vehicle should be placed into service, or allowed to remain in service, if it is found to contain unauthorized advertising.

For the purposes of discussion, taxicab advertisements have been classified into three separate advertisement groups: 1) Public Safety and Taxicab Service Promotion, 2) Public Safety and Non-Profit Organization Campaigns, and 3) Revenue Generating Commercial Advertising. Examples of these advertisement types and advertisement content are included as Attachment C of this staff report.

OCTAP staff recommends that a non-substantive change or clarification to the regulations should be made that would allow OCTAP permitted taxicab companies to display non-revenue advertising designed to promote (a) public safety, (b) their Taxicab Company, or (c) Orange County taxicab services. This specific type of advertising should be limited to body surface decals that do not significantly distract from the OCTAP required company markings, do not conflict with other OCTAP regulations or the California Vehicle Code, and are specifically approved by the OCTAP Administrator.

The specific allowance of non-revenue advertising can be accomplished by the addition of clarifying language to the OCTAP regulations that is non-substantive, but has been approved by the OCTAP Steering Committee.

Allowing broader non-profit organization and public safety campaigns, as well as revenue generating commercial advertising, would be considered a substantive

change to the OCTAP regulations, which will require adoption by each member agency governing body.

An example of such advertisement is included in Attachment C of this staff report. Draft regulation language for each advertisement group is included as Attachments D through F of this staff report, for Steering Committee review and consideration.

Recommendations

- (1) Adopt clarifying language that specifically allows the promotion of public safety, taxicab companies and taxicab services through non-revenue exterior advertising, as described in draft regulation clarifications outlined in Attachment D.
- (2) Determine Steering Committee preferences as to the allowance of other advertising, as outlined in Attachments E and F. If the Steering Committee should wish to pursue the approval of regulation language to allow advertising outlined in Attachment E and/or F, the committee should direct staff to contact city managers from each city and the chief executive of the county, and present recommended regulation language for review

Attachments:

- A. Peer Regulator Information
- B. Taxicab Company Survey Responses
- C. Taxicab Advertising Examples
- D. Draft Language: Public Safety and Taxicab Service Promotion
- E. Draft Language: Public Safety or Non-Profit (Charity) Campaign
- F. Draft Language: Paid Commercial Advertising

PEER REGULATOR INFORMATION

Riverside

The city does not specifically regulate taxicab advertisements at this time. Like OCTAP, advertising would have to be approved as part of the approved color scheme and markings. Also like OCTAP, Riverside states that they have not approved exterior taxicab advertising for any of their permitted taxicab vehicles.

Los Angeles

Each taxicab operator and vehicle permittee may display commercial advertising in or on the taxicab, which does not violate statutes involving unlawful or obscene matter, nor is detrimental to the public welfare (misleading or discriminatory) as follows:

Window Advertising (Sedans Only) (Rule 415 (a))

On the inside only of the rear-most window; using material acceptable to the Department. A side view mirror must be mounted on both the left and right side of taxicab.

Window Advertising (Station Wagon or Van Only) (Rule 415 (b))

On the driver's side, fixed side window only, provided that all other requirements of Rule 415 (a) above are met; on the inside only of the rear-most window, provided that all other requirements of Rule 415 (a) above are met.

Roof or Trunk Mounted Advertising (Rule 415 (c))

Shall meet all requirements of CVC 25400; shall be approved by and inspected by the Department to assure proper mounting.

CVC Section 25400 Lighting Requirements

Lighting Requirements

25400 (a) Any vehicle may be equipped with a lamp or device on the exterior of the vehicle that emits a diffused non-glaring light of not more than 0.05 candela per square inch of area.

(b) Any diffused non-glaring light shall not display red to the front, but may display other colors. A diffused non-glaring light shall not resemble nor be installed within 12 inches or in such position as to interfere with the visibility or effectiveness of any required lamp, reflector, or other device upon the vehicle.

(c) A diffused non-glaring lamp or device, other than a display sign authorized by subdivision (d), shall be limited in size to an area of 720 square inches and where any lease, rental, or donation is involved the installation of the lamp or device shall be limited to those vehicles operated either primarily within business or residential districts or municipalities, or between business districts, residential districts, and municipalities in close proximity.

(d) An internally illuminated sign emitting not more than 0.25 candela per square inch and possessing copy which does not contain a white background may be displayed on each side, but not on the front or rear, of a trolley coach or of a bus being operated in urban or suburban service as described in Section 35107 of this code.

Hubcap Advertising(Rule 415 (d))

Vendor equipment shall be approved and inspected by the Department to assure proper mounting. All such hubcaps on a single taxicab shall have the same or similar advertisement design or theme.

San Diego (San Diego Metropolitan Transit System, SDMTS)

Rooftop advertising is the only type of advertising allowed.

The following content is prohibited: alcohol, tobacco, and adult entertainment establishments.

Palm Springs (Sunline Regulatory Agency, SRA)

Rear window advertisements are allowed using only approved sun shade materials. Palm Springs continues to monitor the application with field inspections and twice a year full inspections. Advertisements for alcoholic beverages, liquor, tobacco, and the depiction of the use of firearms, websites that have adult content and political messages are not accepted. Placement, material to be used and mock up of the ad is submitted to the Taxi Administrator for approval. This past year, for breast cancer awareness month, the SRA approved two tasteful full vehicle wraps for a franchise that intended to donate proceeds of the fares collected to the cancer foundation.

TAXICAB COMPANY SURVEY RESPONSES

1. 24/7 Yellow Cab – “Yes” to taxicab advertisements.
2. 1A Green Taxicab, LLC – “Yes” to taxicab advertisements.
3. A Taxi Cab – “No” to advertisements on taxicabs. However, non-profit and charitable advertisements or sponsorships should be allowed; but only on a case by case basis.
4. California Yellow Cab, (CABCO Inc.) – “No” to taxicab advertisements.
5. Happy Taxi – “Yes” to taxicab advertisements.
6. Yellow Cab of Greater Orange County – “Yes” to taxicab advertisements.

Taxicab Company and Public Safety Body Decal Examples



Non-Profit or Public Safety Campaign Wrap and Body Decal Examples




Note: Special pink (wrapped) cabs for breast cancer awareness



Paid Commercial Advertising Examples

Two Sided Illuminated Plastic Rooftop Carrier

Dimensions	
42" Carrier	54" Carrier
Overall Length: 42" (107 cm)	Overall Length: 54" (137 cm)
Width: 14.5" (37 cm)	Width: 16.5" (42 cm)
Height: 15.5" (39.5 cm)	Height: 15.5" (39.5 cm)
Poster Size: 14" x 39.5"	Poster Size: 14" x 48"



Trunk Deck Advertising Carrier

- Lightweight aluminum construction allows easy accessibility to trunk.
- Easy top feed slide in poster installation.
- Sign swings out of place for opening the trunk.



Dimensions:
Carrier and Poster Size:
16.5" x 35 3/4"
(42 cm x 89 1/2 cm)

Wheel Cover Advertising



Body Panel Decal Advertising



DRAFT REGULATION LANGUAGE

NON-REVENUE PUBLIC SAFETY AND TAXICAB SERVICE PROMOTION

OCTAP permitted taxicab companies shall be allowed to display non-revenue advertising designed to promote (a) public safety, (b) the permitted taxicab company, or (c) Orange County taxicab services. Advertising is limited to body surface decals that do not distract from the OCTAP required company markings, conflict with other OCTAP regulations or the California Vehicle Code, and are specifically approved by the OCTAP Administrator.

Public safety advertisement may be sponsored by a nationally or regionally recognized non-profit organization, and may include the organization logo as part of the public safety advertising, provided that the “sponsorship” is limited to the cost of creating, installing, and maintaining the advertising media, and the taxicab company is not paid for the advertising.

Taxicab company, taxicab industry, or public safety advertising must be limited to one campaign/topic and a maximum of one decal per vehicle side, with decals mirrored on the right and left sides of the vehicle. Multiple campaigns/topics and multiple decals per side on the same vehicle will not be allowed.

DRAFT REGULATION LANGUAGE

PUBLIC SAFETY OR NON-PROFIT (CHARITY) CAMPAIGN

Each taxicab operator may display public safety or non-profit organization (charity) campaign advertising on the taxicab vehicle, which does not violate the California Vehicle Code, statutes involving unlawful or obscene matter, or is detrimental to the public welfare (misleading or discriminatory).

The OCTAP Administrator must specifically approve advertising form, placement, and content as part of the company approved color scheme and required markings prior to installation on any taxicab vehicle. An artist rendering mock up and/or first article example may be required as part of the approval process.

OCTAP permitted taxicab companies may display non-revenue advertising designed to promote specific nationally recognized public safety or non-profit (charity) organization campaigns. Advertising will be limited to body surface decals or wraps that do not significantly distract from OCTAP required company markings, conflict with other OCTAP regulations, or conflict with the California Vehicle Code. Advertisements must be specifically approved by the OCTAP Administrator, must be for a specific period, and must be documented by a contract that provides specific permission from the benefiting organization. Examples of specific campaigns might include breast cancer awareness month, or National Transportation Highway Safety Administration (NTHSA) traffic safety campaigns. All campaign advertising must be immediately removed at the end of the authorized campaign term.

Sponsorship is allowed, if the “sponsorship” is limited to the cost of creating, installing, and maintaining the advertising media, and the taxicab company is not paid for the advertising.

DRAFT REGULATION LANGUAGE

PAID COMMERCIAL ADVERTISING

Each taxicab operator may display commercial advertising on the taxicab vehicle, which does not violate California Vehicle Code or statutes involving unlawful or obscene matter, does not display or portray sexual and pornographic matter, illegal drugs, controlled substances, tobacco or alcohol products and services, or is detrimental to the public welfare (misleading or discriminatory).

The OCTAP Administrator must specifically approve advertising form, placement, and content as part of the company approved color scheme and required markings prior to installation on any taxicab vehicle. An artist rendering mock up and/or first article example may be required as part of the approval process.

Approved forms of commercial advertising

Rooftop advertising – Advertising structures on the taxicab roof shall be permanently affixed, and secured to the taxicab roof. Advertising size on the vehicle roof must be proportionately sized for the vehicle type, not to extend past the borders of the roof.

Trunk deck or rear-door billboard advertising – Advertising billboards on the trunk deck or rear doors shall be permanently affixed, and secured. Advertising size must be proportionately sized for the vehicle type, must not extend past the borders of the trunk or doors, must not block any required exterior markings, must not block the view of the driver out of the rear window, and must not interfere with the normal operation of the trunk or rear doors.

Wheel cover advertising – Wheel cover advertisement may be used to replace standard wheel covers. All wheel covers on a single taxicab shall have the same or similar advertisement design, theme, and color. Mismatched wheel covers or wheel cover advertising will not be allowed.

Body panel decal advertising – Body panel decals shall be commercially manufactured of a colorfast fade resistant material that will remain affixed to the vehicle until purposely removed. Worn, torn, peeling, or faded body panel decals must be replaced or removed. Only mirrored side matching decals (right and left sides) or front and/or rear facing advertising will be approved.

Commercial advertising not allowed

Clear-view window film advertising – Not allowed due to the conflict with OCTAP regulations relating to tinted windows. While clear view advertising media allows the driver to see out of the window, it does not allow for clear viewing of the inside of the taxicab from the outside.

Full wrap and partial wrap decal advertising – Can be confusing to the public because it may distract from identifiable markings required in the OCTAP regulations. Commercial full wrap and partial wrap advertising is not allowed, except as specifically approved by the OCTAP Administrator as part of a specific non-profit organization or public safety campaign,