

## Pilot Program Effects on Drivers

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

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

### Pre-Pilot Program Effects:

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

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

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

### Current Effects:

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

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

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

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

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

### Long Term Effects:

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

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

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

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

### Recommendations:

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

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

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

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

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

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

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Taxi Advisory Report 1/10/11  
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Year	Medallions Issued	To Waiting List	Transferred	Sold by MTA
2001	83	83		
2002	26	26		
2003	53	53		
2004	28	28		
2005	18	18		
2006	52	52		
2007	56	56		
2008	106	106		
2009	55	55		
2010	51	20	21	10

## Calculations

(Lost income to drivers at top of list)

Number of Pre-Pilot Program medallions: 18  
(July '09 – Feb. '09)

Total months delayed: 113

Current minimum monthly medallion income: \$2,000

Total minimum lost income to drivers:  $113 \times \$2,000 = \mathbf{\$226,000}$

Average minimum lost income per driver:  $\$226,000 \div 18 = \mathbf{\$12,555}$

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Number of Pilot Program medallions: 19  
(Issued 10/19/10)

Total Months delayed: 208

Total minimum lost income to drivers:  $208 \times \$2,000 = \mathbf{\$461,000}$

Average lost income per driver:  $\$461,000 \div 19 = \mathbf{\$21,895}$

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Number of currently un-issued medallions 22

Total delayed months 169

Average delayed months per medallion 7.7

Total minimum lost income:  $169 \times \$2,000 = \mathbf{\$338,000}$

Average loss per driver:  $\$338,000 \div 22 = \mathbf{\$15,364}$

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Medallion #	Reason Returned	Date Granted
147	Deceased 9/12/08 - Returned 9/30/08	7/24/2009
613	Deceased 9/12/08 - Returned 9/30/08	7/24/2009
990	Deceased 8/26/08 - Returned 10/6/08	8/14/2009
888	Deceased 9/25/08 - Returned 10/10/08	8/14/2009
43	Deceased 11/11/08 - Returned 12/15/08	8/14/2009
167	Deceased 11/29/08 - Returned 12/15/08	8/14/2009
48	Deceased 1/6/08 & 12/6/08 - Returned 12/29/08	8/28/2009
331	Deceased 1/6/09 - Returned 1/27/09	9/11/2009
106	Deceased 12/6/08 - Returned 2/4/09	9/11/2009
677	Deceased 1/16/09 - Returned 2/3/09	9/11/2009
678	Deceased 1/16/09 - Returned 2/3/09	9/11/2009
490	Deceased 12/25/08 - Returned 2/4/09	10/16/2009
789	Deceased 01/19/09 - Returned 2/10/09	10/16/2009
75	Deceased 1/6/09 - Returned 2/12/09	10/19/2009
243	Deceased 2/16/09 - Returned 3/13/09	10/19/2009
50	Deceased 5/19/08 - Returned 8/21/08	11/25/2009
120	Deceased 5/23/08 - Returned 8/21/08	12/23/2009
1173	Deceased 8/9/08 - Returned 9/11/08	2/16/2009
1050	Deceased 3/9/09 - Returned 3/24/09	3/29/2010
1	Deceased 3/15/09 - Returned 4/15/09	4/9/2010
2	Deceased 3/15/09 - Returned 4/15/09	4/20/2010
3	Deceased 3/15/09 - Returned 4/15/09	4/23/2010
4	Deceased 3/15/09 - Returned 4/15/09	4/23/2010
5	Deceased 3/15/09 - Returned 4/15/09	4/23/2010
319	Deceased 9/15/08 - Returned 5/4/09	5/14/2010
304	Surrendered 5/4/09 - Returned 4/29/09	6/3/2010
377	Deceased 4/5/09 - Returned 5/6/09	7/27/2010
704	Deceased 3/25/09 - Returned 4/29/09	8/25/2010
1259	Surrendered 5/7/09 - Returned 5/7/09	8/26/2010
1140	Deceased 3/13/09 - Returned 5/15/09	9/10/2010
144	Deceased 4/27/09 - Returned 5/18/09	9/10/2010
349	Deceased 6/2/09 - Returning 6/17/09	9/10/2010
197	Deceased 5/25/09 - Returned 6/18/09	9/24/2010
1070	Deceased 8/3/09 - Returned 8/18/09	9/24/2010
431	Revoked 3/11/09 - Returned 3/13/09	9/17/2010
1069	Deceased 8/19/09 - Returned 9/8/09	10/8/2010
482	Deceased 5/3/10 - 6/14/10 SFMTA has medallion	10/19/2010