

LIMITED DRIVING REQUIREMENT

Medallion Reform Proposal by the San Francisco Cab Drivers Association

We believe that as in most occupations, career cab drivers deserve a dignified end to their career. This plan will benefit a broad spectrum of interests. It will benefit the city by putting money into the SFMTA, it will benefit all cabdrivers by contributing money to the driver fund, maintaining gas and gate shifts, as well as continuing San Francisco's long honored system of earning a medallion through time spent the road, rather than by having to go hundreds of thousands of dollars into debt. This plan will keep medallions going to veteran drivers at the top of the list and also allows for elder and disabled medallion holders to reduce or eliminate their driving requirement or to sell their medallion. It benefits the public by maintaining quality, career cabdrivers in the industry.

We feel that although purchasing a medallion might be a good choice for some younger drivers early in their careers, many other drivers have already invested 20 years or more of their lives servicing the public for low pay, long hours, with no benefits, doing one of the most dangerous jobs in the country. Therefore, there needs to be a way for drivers who have made a career of driving a cab, to obtain a medallion.

In order for medallions to continue going to veteran drivers, as has been the respected practice in San Francisco for the last 32 years, there needs to be a cap on the number of transferable medallions. We suggest a third. Because of the slow movement of the list, we feel two thirds of the medallions should continue to go to the top of the list without purchase. When new medallions are issued, one third of that number would become transferable. In other words, if 30 medallions are issued, 10 more medallions would become transferable. If 60 new medallions are issued, 20 previously existing medallions would become transferable, etc.

The City should sell no more medallions outright, as each one deprives a career working cabdriver from obtaining their medallion, which can be compared in other industries, with tenure or a management position after usually at least 20 years on the road.

We propose that when a medallion holder reaches the age of 55, the driving requirement could be voluntarily reduced to 600 hours and the holder would contribute \$100 a month or \$1,200 a year to be split between the SFMTA and the Drivers Fund.

When a medallion holder reaches the age of 60, the driving requirement could voluntarily be reduced to 400 hours and a contribution of \$200 a month (\$2,400 a year) would be split between the SFMTA and the Drivers Fund.

When a medallion holder reaches 65 or becomes disabled, the driving requirement could voluntarily be eliminated with a \$400 monthly contribution (\$4,800 a year) to the SFMTA and the Drivers Fund. The medallion holder would still retain the medallion and still be able to drive.

To allow for inflation and market changes, these payments could also be set at a comparable percentage to medallion income instead of a dollar figure.

All reduced or eliminated driving requirement medallions would be run as gate and gas cabs. This would create stability for companies as well as maintain available shifts for drivers.

A medallion holder would have the option to sell when they reach 70. If they chose to hold on to their medallion with a reduced or eliminated driving requirement, they would retain their medallion the rest of their life, but would no longer have the option to sell. When these medallion holders die, their medallions would go back to the list. A medallion holder over 70 who continues driving, could make this decision when they no longer wish to drive.

We'd like to make this comparison of revenue from the current transfer fee of \$50,000 per medallion to the revenue from this Limited Driving Requirement plan. The average turnaround time for a purchased medallion will likely be much more than 10 years, probably more like 20 or 30 years. After 10 years of this program, a 75 year old driver will have contributed \$48,000 to the SFMTA and the Drivers Fund. If the same driver joined the plan at the age of 55 he will have paid in \$66,000, and still be contributing to the fund and the SFMTA.

We feel this plan is healthier for the industry overall. It will allow senior and disabled medallion holders to stop driving and allow older career drivers to still obtain a medallion. This will also help color schemes maintain gas and gate medallions, and provide more available shifts for non-medallion holding drivers.