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JORDANNA THIGPEN, ACTING DIRECTOR

DATE: April 11, 2008
TO: Working Group Members
FR: Jordanna Thigpen
RE: Proposed Peak Time Medallions – Finances and Issues

Members of the public and the working group met in two informal meetings in the past two weeks. The smaller group agreed that the overriding question as far as developing a PT program should be “How do we serve the public?”

The table below demonstrates **estimated** expenses and income that were developed over two meetings with members of the working group and members of the public in an informal meeting. Numbers may vary from driver to driver.

Peak Time Medallions	Week	Month	Year
Vehicle Purchase & Financing	\$197	\$788	\$9,456
Fuel Purchase	\$112.50	\$450	\$5,400
Maintenance & Repairs	\$75	\$300	\$3,600
Liability Insurance and Physical Damage	\$183.25	\$733	\$8,796
Workers Comp Insurance	\$81.25	\$325	\$3,900
Banking Charges	\$37.50	\$150	\$1,800
Dispatch Service	\$25	\$100	\$1,200
Color Scheme Services	\$25	\$100	\$1,200
Permits and Fees		?	?
Other Expenses		?	?
Total Expenses	\$736.50	\$2946-?	\$35,352
How Many Hours in service?	56	240	2880
Fares - \$25/hr + Tips of 20%	\$1,680	\$7,200	\$86,400
Fares - \$30/hr + Tips of 20%	\$2,016	\$8,640	\$103,680
Other Income			
Total Net Income: \$25/hr	\$943.50	\$4,254	\$51,048
Total Net Income: \$30/hr	\$1,279.50	\$5,694	\$68,328

These individuals came up with two possible models for PT permits as follows:

Model #1:

- A PT permit is awarded to drivers with no auction fee.
- Only that driver can operate the vehicle – there is no second shift or other driver allowed. This would be modeled after Toronto’s Ambassador Taxicab Program
- There is no requirement to affiliate with a dispatch service or color scheme
- There are reduced costs of operation due to no workers compensation, no dispatch fees, and no color scheme fees
- The vehicle serves as a flag-only and neighborhood taxi stand segment of the industry, like NYC medallion vehicles which are flag-only
- Enforcement would be conducted by spot checks – the owner-driver only, or revocation proceedings would initiate

Model #2:

- PT permits are issued to companies
- Only go to top-rated dispatch firms and full-service taxi companies capable of administering the program
- It serves as a supplement to local service companies during peak times
- There is a reduced cost to the company, because there is no medallion holder
- The only restriction is the time of day and the day of the week
- Enforcement occurs by spot checks/audits at company yards, fines, and revocation for violation.

The group members also discussed using spares as PT cabs, which raises an entire set of issues on its own, but might be good to try as a pilot program to measure the effectiveness of a PT program, prior to actually creating a new permit class.

Some of the outstanding issues that the subcommittee discussed are as follows:

- **Insurance:** Liability/workers compensation/physical damage
- **Profit Issues**
 - How many hours per year are needed for profitability?
 - Inspection fees and permit fees
 - Auction fees/financing fees
- **Driver Issues**
 - How many hours, shifts, or days are allowed?
 - Driver is owner/operator only, or can he lease shifts?
 - Slow vs. busy weeks, Holidays
 - Shift change location
 - Drivers serve SFO or the City or both?

- Reducing unpaid miles by staging
- Who hires or oversees the drivers?
- **Vehicle issues**
 - Purchase price
 - Financing
 - Compliance with the Clean Taxi Program
 - Parts availability
 - Maximum mileage allowed for start/end of service
 - Parking for vehicles
 - Use of spares as PT cabs
 - Spares for when PT cabs are down
- **Enforcement Issues**
 - Who gets the permits – drivers, or companies?
 - Enforcing prime-time limited hours
 - Minimum standards – GPS, credit cards
 - Adequate and enforced cab stands at hotels, hospitals, GG Park, and ballparks
 - Maintenance and inspection
 - Additional staff needed to enforce the Peak Time Program
 - Overall traffic enforcement – congestion pricing?

The group also discussed the following enhancements to improve service:

- changing airport rules, particularly with regards to ramped cabs
- congestion pricing
- increased neighborhood taxi stands
- dispatch standards
- reducing the amount of color schemes and limiting permits to full-service taxi companies
- additional enforcement funds for improving the industry

