

**DRAFT SFMTA TAXI SERVICES STAFF RECOMMENDATION
TO SFMTA BOARD OF DIRECTORS REGARDING MEDALLION REFORM
TAXI ADVISORY COUNCIL MEETING, MAY 14, 2012**

(I) MAINTAIN DRIVING REQUIREMENT FOR MEDALLION HOLDERS

- (a) Maintain the core principal of Prop K that San Francisco taxi medallions should go to working drivers as currently defined (800 hours or 156 four-hour shift per year for four out of the past five years).
- (b) Continue to modify or eliminate the driving requirement for medical conditions that prevent the medallion holder from driving, and then require the medallion holder to transfer the medallion if after three years the same medical condition prevents them from driving.

(II) MAINTAIN WAITING LIST TO THE END

- (a) DO NOT “cut off” any number of qualified applicants from the medallion waiting list.
- (b) Immediately reduce the waiting list through administrative measures only (by removing people without driver permits, people who don’t respond to mail, existing medallion holders, etc.)
- (c) When the waiting list runs out, distribute medallions to drivers by seniority (either by purchase, or ‘earned’ medallions, see Sections III and VII below).
- (d) Dedicate all 350 remaining Pre-K medallions to the waiting list as they are returned to the SFMTA.

(III) CONTINUE MEDALLION SALES

- (a) Allow any Post-K medallion holder to transfer a medallion without restriction based on age or disability, except that a transfer may be denied during ongoing medallion revocation proceeding.
- (b) Allow Post-K medallion holders to pay a conversion fee (about \$32,000) for the right to transfer their medallions through their estates if they do not transfer the medallion during their lifetimes. This pre-payment of a transfer right would entitle the estate of the deceased medallion holder to apply the (lower) subsequent transfer fee to the medallion transfer (see Section III(c) below).
- (c) Reduce the transfer fees by half for subsequent transfers of the medallion, from \$50,000 for the first transfer to \$25,000 for subsequent transfers, 7.5 and 2.5 percent to the SFMTA and the Driver Fund, respectively.

(IV) ISSUE TEMPORARY COLOR SCHEME PERMITS

- (a) Issue temporary permits, for the lifetime of a vehicle, to select taxi companies to operate as gas and gates permits.
- (b) The purpose would be to increase the number of gas and gates shifts, to increase driver accountability to color schemes and to provide those color schemes that have demonstrated superior safety and customer service with a predictable source of revenue.
- (c) These temporary permits would be leased directly by the SFMTA to selected color schemes based on objective color scheme performance standards (such as paratransit performance, ramp driver performance, dispatch performance, driver survey results, number of citations and complaints, etc.) The size of the company would not be a factor in the decision of which companies get to lease a permit or permits.
- (d) The number of such color scheme lease permits will depend in part on the recommendations of the consultant, Dan Hara & Assoc., which is currently conducting a Public Convenience and Necessity/Taxi Industry Best Practices Study for the SFMTA. In Section VI below, the staff recommendation addresses the proposed distribution of newly issued medallions, if any, and limits the total number of company permits to 20% of any new medallions, or no more than five percent of the total fleet under any circumstances. Any permits leased by the SFMTA to color schemes would NOT come from medallions currently in the possession of medallion holders. They would be temporary permits issued to companies for the life of a vehicle, a different class of permits from medallions held by individuals. If the leasing program is not successful, it can be terminated.
- (e) This color scheme lease permit system would allow the SFMTA to temporarily increase or decrease taxi supply when taxi demand significantly increases or decreases by issuing, terminating or not re-issuing these temporary lease permits when they expire.

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(V) CHANGES TO LEASING REGULATIONS

- (a) Maintain a limit on the portion of the fleet (one third) that may be medallion holder-operated as “affiliate” leases. All other medallions must be operated “gas and gates”.
- (b) Allow new leases by medallion holders as owner operators by application to the SFMTA only, granted on a selective basis to medallion holders in good standing and subject to new regulatory restrictions on leasing:
 - (i) All insurance to be provided through the taxi company.
 - (ii) All parties sign SFMTA Uniform Lease document which designates the location of an off-street parking facility for the vehicle, change of shift location, mechanical repair facility used, drivers named in lease, clear written limits on charges to drivers, and specifying the rights and responsibilities of the parties.
 - (iii) Medallion holder has the burden of documenting his or her personal operation of the taxicab as a business (e.g. receipts for gate fees charged to drivers, scheduling drivers, arranging for acquisition, repairs and regulatory compliance of vehicles) in conformance with the requirements of the Uniform Lease and SFMTA regulations.

(VI) NEW MEDALLIONS

- (a) If any new permits are authorized as a result of the Public Convenience and Necessity study, apply any newly-authorized taxicab permits in the following proportions: to the waiting list (50%), to direct leases to color schemes (20%), to direct SFMTA sales (20%), and ‘earned’ medallions to senior drivers (10% up to 100 maximum).

Example of recommended new permit distribution:

If the number of 2012-newly authorized taxicabs equals:	New permits leased to companies by SFMTA (20%)	New permits leased to companies by SFMTA as % of total fleet	50% to the waiting list	20% sold by the SFMTA	‘Earned’ medallions (up to 100) to drivers by seniority (10%)	‘Earned’ medallions to drivers by seniority as % of total fleet
0	0	0%	0	0	0	0
100	20	1.2%	50	20	10	.06%
300	60	3.2%	150	60	30	1.6%
500	100	4.9%	250	100	50	2.4%

- (b) Once the waiting list is exhausted and all ‘earned’ medallions (up to 100) are distributed:
 - (i) Medallions held by an existing medallion holder who wishes to transfer would be offered for purchase to drivers in the order of driver seniority;
 - (ii) Medallions held by the SFMTA (from death, revocation or newly authorized permits) could be sold to drivers (medallions) or leased to companies (temporary permits) by the SFMTA.
- (c) Consider the issuance of part-time Single Operator Permits as an alternative to new full-time medallions as the supply of taxis is increased.

(VII) EARNED MEDALLIONS

Maintain **10% of newly issued medallions, up to 100** medallions to be offered over time by driver seniority to drivers who do not have medallions with at least 25 years’ seniority and who are not on the waiting list. These non-transferable ‘earned’ medallions would continue to circulate among the most senior qualified drivers without medallions so long as that population continued to exist.

TOWN HALL MEETING DATE:

May 22, 2012, 1:30-4:30pm, 5:00-8:00pm, 2nd Floor Atrium Conference Room, One South Van Ness Avenue.

South Van Ness Avenue and Market Street, at the Van Ness Muni Metro subway station; Muni 6, 9, 9L, 14, 14L, 47, 49, 71, 71L bus routes and the F Line.