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SFMTA Division of Taxis &
Accessible Services

Dear Miss Hayashi,

I have learned online that you welcome written suggestions and comments regarding the issues that have been raised in the recent round of public meetings. I have been unable to attend very many of these meetings but welcome the opportunity I understand you have expressed to contribute these written comments. These remarks are not meant to form a narrative, though they relate here and there.

1) Regarding any major change in Proposition K, it should be evident that any change in a law created by the electorate must be changed by the electorate, or it will remain reasonable to challenge the new law, both legally and politically.

Exceptions could be claimed if they were clearly items that were wrongfully left out of the original Proposition. These items would tend to be things that favor the drivers (for the City, the chief advantage of Prop K is that it forces the cabdrivers to be hands-on owners, and this is what is keeping the drivers' ratings high with agencies like Conde Nast). Chief among these would be exit plans for drivers, the absence of which clearly makes Prop K a problem piece of legislation, and a health plan. (I point out that the health plan already exists.) The fact that Federal law disallows certain City policies, such as the removal of a medallion from a sick driver, speaks in favor of the claim that changes in Proposition K would tend to be in favor of the drivers.

It might be possible to append health care to Prop K, primarily because this issue was voted in by the public in a separate measure, and is supported in a number of City policies.

2) Considering drivers' health care more specifically, it may be said to begin with that to refrain to see to the provision of this important benefit is at variance with the City's stated policies. With the City's current trend of pro-health care policy, the lack of health care that drivers currently suffer will certainly increasingly be viewed as anachronistic and, well, immoral by the standards of this community.

I therefore urge you to take up the issue of that earlier legislation that has foundered, namely that which allowed the taxi companies to charge higher gates ONLY on condition that, together with the City, a health plan be created for the drivers. As you know, this plan was created to the hundredth financial decimal place, but was blocked.

It is important to realize that the City bears some responsibility for this plan, and that suits against the cab companies alone, that is, that do not sue the City as well, take only partial legal opportunity of the situation. Sooner or later a suit may be filed that points this out, and this fact, together with the sentiment against anyone who denies workers what has been granted them by public vote, may come to exist.

The fees that the drivers were to be called upon to pay were modest. Even though the plan called for me as a medallion owner to pay more than a non-medallion owner, in order to help

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finance the health plans of drivers without medallions, I would be paying MUCH less than I am now. I felt that the plan was quite fair. I am very disappointed that the plan was not implemented. I ask you to see that it is implemented.

Before leaving this point I must add that I have been reluctant to speak about this issue at any public issue because I know the cab companies are against paying anything out to the drivers. My reluctance to speak out has been of course due to my belief that there will be retaliation against me.

I am completely convinced that the speeches various drivers made against the health plan were motivated to protect their positions within the companies.

I believe it should be possible to create a compromise with the cab companies such that if the suits would be dropped if they pay what they owe. They could thus avoid damages and further legal costs. There is also the question of City responsibility, which would continue to go unnoticed.

3) I understand that the MTA has been told to raise a lot of money. The figure of \$10,000,000 was bandied about; I do not know whether this is accurate. But if it is, and if the entire sum were divided by the approximate number of medallions we have, which I think is around 1500, then we get a figure, per medallion, of \$6,667.

I am VERY MUCH AGAINST the sale of medallions, for the reason to begin with that a medallion is not a commodity. It makes no more sense for a medallion to be sold than for street parking spaces to be outsourced to the public sector. The chief reason I took a medallion is that I feel utterly cheated by having had to pay for their use for the 17.5 years I waited for my medallion, and I feel it is fair for me to recover my money, which I am not recovering at the rate I paid it out. I have had to reason like a soldier in a foxhole. Unless I fire back, I will not get out of the foxhole.

But a more universal argument against the public sale of medallions is the obvious one, that comes in two parts:

a) If medallions are sold, at any price, that price will escalate, and the nature of the situation will change beyond recognition. The illusion that medallions are a commodity will be fostered, and speculators will step in and, seeing the prospects for profit, will invest the money in political process to bring policy to their advantage. Drivers would no longer be able to afford medallions. This would cause the second, very obvious change:

b) The present City policy of hands-on, owner-equals-driver taxi operation would disappear. It would no longer happen that career drivers would be found in their cabs. Instead, corporate interests would replace the small businessmen we presently have. Drivers would cease to have a reason to treat cab driving as anything other than a hacker's temporary career. The currently well-regarded San Francisco cab driver would be gone.

Now, with a proper context, I may return to discussion of the fundraising mandate you have been given.

Though my suggestions will be unpopular with everybody, they would involve changes that are wholly within the purview of your authority without necessitating any political recourse, at least not in principal. And they would therefore not involve Proposition K in any way, nor any change in medallion structuring etc., all of which ideas so far have terrible flaws. My suggestions are, to wit:

First, I believe you should just raise the rates the cab drivers pay for their annual fees to about \$3,000 per year for a standard medallion, though much less than that for a ramp medallion, maybe \$750 per ramp medallion. This will bring in, all at once, about half the money you need.

Secondly, I believe you should drastically revise the schedule that the cab companies are paying per number of medallions in their fleet; currently, the larger the fleet, the less is paid per

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medallion. This is a huge break for the largest companies; paradoxically it is the smaller companies that are paying the most per medallion. That's not fair. Just reduce the slope of decrease per medallion, and you should be able to raise quite a bit of money that way.

Thirdly, I believe you should increase the fees for major legal violations, especially those of companies.

Fourthly, I believe you should create citations for drivers who do not observe basic waybill requirements, and other apparently small but ubiquitous infractions. Waybill infractions cripple police use of driver accountability. This means that the advantage cabs have over other forms of transport is diminished. It is not in the industry's advantage to allow poorly written waybills, yet the violation is universal. If you do this, I believe you could have a "probation period" of say six months, during which time all infractions would result in only a basic penalty. After this however, a citation comparable to the price of, say, a parking violation, as much as \$25-50 PER BAD WAYBILL, could be applicable. It could be enforced at a desk, and it would be fair: an unaccountable, moving cab can do a lot more damage than a parked car.

Fifthly, expanding the previous point to the cab companies, companies who do not keep their waybills should be slapped with very large fines: they make every aspect of both the business and the law more difficult, so they make your job harder, and they create terrible problems for drivers who rely on the companies to save their waybills for their use when it comes time to apply for their own medallions. The least the companies should pay is whatever you think you would have gotten by policing the waybills.

Sixthly, if this rule is not already applied, any police paid by MTA or Company money should have a citation minimum, a quota.

On a different note, I think you should lower a few of the penalties you are currently charging, such as for replacement of lost medallions. I don't think it's fair to penalize ordinary human error so harshly when safety is not at issue. It wouldn't cost you much but if you made a big deal out of such a thing it could help your PR with the drivers if you decide to raise other things like medallion fees.

Before I leave this part of the discussion please let me stress that these are things to IN LIEU OF allowing ownership of medallions.

I have studied some examples from history of businesses in which Government allowed public participation in economic process. The best example I know of is the "tax farmers" of Ancienne Regime France. Such "farmers" collected taxes and kept a percentage before turning the money over to the government. It created a situation of incredible graft and added to social stratification. If medallions are sold here American "profit-taking" would run out of control in San Francisco. And it is unlikely that the money could even be kept in the City.

4) With the high marks that San Francisco drivers have for some years been getting for knowledge as compared with cab drivers in other cities, I think an important PR movement should be started, with the long-range goal of insuring throughout the nation that San Francisco cabbies are regarded as the best in America. This is not an ego thing. This could contribute an important nuance to all tourist's perceptions of San Francisco. If San Francisco and London cabbies were spoken of in the same breath it would be a good thing. I don't have any particular suggestions right now as to how this can be done, but I think the MTA should keep its eye open for this and take such opportunities as arise, and develop policies accordingly.

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In conclusion, let me say that I believe it is very much to the City's advantage for the MTA to take the taxi industry in the direction of greater service to the tourist industry, and that with our generally high driver knowledge ratings, it is possible to create a new paradigm of excellence in cab driving, and one that is associated with San Francisco.

But to do this, the career of cab driver can't be a dead end. High on the list of priorities for the MTA should be a viable exit strategy for the drivers, and a viable health plan, both of which are miserably, inhumanly absent.

If the drivers are required to pay somewhat more, but the entire economic situation for the drivers remains under control, understood, and part of publicly created law, they will at least be getting what they are paying for, and the political situation will not become incendiary, as it certainly is becoming now.

If the occupation of cab driver were a "real job," which it currently certainly is not, it would be possible to attract worthwhile people to the industry and keep them. It is in your interest to bring the drivers' needs into greater consideration, and to the extent that you do, you would be justified in charging more to all concerned.

I hope these remarks have been helpful to you. I remain,

Most sincerely yours,

A handwritten signature in cursive script that reads "Christopher Fulkerson". The signature is written in dark ink and is positioned above the typed name.

Christopher Fulkerson, Ph.D.

