

Charter Reform Proposal
San Francisco Cab Drivers Association
April 30, 2009

As medallion holders, list members and other longtime cab drivers in San Francisco, the SFCDA proposes that "proper guarantees to protect Prop K (1978)" remain in place, as was assured to us by the October 7, 2007 letter signed by the Mayor and the President of the Board of Supervisors, author of the merger legislation Prop A (2007), before the transfer to the MTA was approved by the Board of Supervisors.

We propose that any changes to the taxi industry should be for the betterment of the industry, its workers, and service to the community, not dependant on what will give millions of dollars to the MTA to fix their budget crisis.

We do not believe Proposition K is broken or unworkable. There have been amendments such as the driving requirement added in 1984, and the "Daly/Ma" amendment of 2004, imposing a longer qualifying driving requirement. Any changes to the taxi industry should be made through a gradual, thoughtful and unhurried process, involving input from all segments of San Francisco's taxi industry.

We feel an artificial crisis has been created, and that the current Charter Reform process has been compromised due to the sudden rush to submit proposals before the arbitrary deadline of May 1. This is just two months after the authority transfer to the MTA and after the MTA will have submitted their budget that includes \$5 to \$20 million to be extracted from the taxi industry, one way or another. We contest this process and feel greater time and latitude is necessary for thoughtful and effective improvements to the taxi industry and service to the public.

This process has already caused unnecessary turmoil among longtime drivers, medallion holders and others. We believe this Charter Reform process favors a transferability system which will create widespread instability and debt. This debt will be carried by cab drivers and inevitably lead to higher gates and cab fares. This causes dangerous conditions where drivers become desperate and create a public safety hazard as they race for fares and are not relaxed behind the wheel.

An auction system would also lower the standard for cabdrivers. Prop K ensures that longtime cabdrivers are running the industry and driving the cabs. The new criteria would favor those who can come up with the most money, or who will work for the least, rather than who has put in their time, and paid their dues on the road, with service to the community.

An auction system is aimed at younger, less experienced drivers, who can work 6 or 7 days a week to pay for these medallions. While ignoring the older, more experienced drivers, who've already been working years for their medallions, under the agreements of Prop K.

San Francisco has long been praised for having higher quality, friendlier cabdrivers than other cities. We have our system under Proposition K to thank for that, and many have taken this for granted.

The SFCDA feels that although K can use some minor adjustments, it does not need a major overhaul. These proposals to take money from the cab industry to balance MTA's budget is short-sighted and would be extremely detrimental to most of our livelihoods and service to the public.

Charter Proposal Addendum
Barry Korengold
May 1, 2009

I think a system should be explored, where a medallion holder will have the option of buying a limited and finite driving requirement, paying into a pension fund for all drivers. This would likely appease those on the medallion list, who may have to wait longer, and also be agreeable to medallion holders, who could relieve themselves of the driving requirement at some point.

The pension plan would need studying, and details to be worked out, but I believe the money from medallion holders would be sufficient to seed, and administer this plan. It would work something like this:

Every non-medallion holding driver would contribute an extra \$5 per shift, which would be deposited into the fund. If a driver leaves the industry before 5 years, the money would stay in the fund, causing it to grow. That, coupled with medallion holders contribution for buying their way out of the driving requirement, would probably cause the amount invested by drivers, to grow enough that when a driver quits after 5 years, they would get back more than they put in, and have a significant amount of money when they stop driving.

A record would be kept of all deposits, so drivers who stay in the industry would get back at least what they've paid into their account, and probably more. Drivers could "cash out" early, after 5 years, but then would start over, and must work another 5 years, or forfeit their deposits.

All money paid by medallion holders however, should go toward the development and maintenance of this fund, and not to pay off pre-existing debt from the MTA.

This system would preserve the principles of Prop K (1978), while using cab industry money to improve the conditions of drivers and medallion holders. It would give medallion holders an "exit strategy", while at the same time making it a little easier for non-medallion holding drivers to exit the industry also.

November 22, 2009

San Francisco Cab Drivers Association's Criteria for a Compromise Solution

The San Francisco Cab Drivers Association recognizes that although the basic principles of Proposition K are good, time has proven that it has its shortcomings and some improvements need to be made. We feel that because of these principles, San Francisco is widely considered to have higher quality cabdrivers than other major cities in the U.S.

We continue to feel that the SFMTA should not be looking to fix its budget woes off the backs of working cabdrivers and medallions holders who are making less than the median income of San Francisco. We have been swayed however, by (Deputy) Taxi Director Chris Hayashi, that this can be done in a somewhat fair way, which will benefit all parties involved, and that the SFMTA can actually help increase revenue to the taxi industry.

We would prefer to see the industry be able to work together and with the SFMTA, than to have an all out free for all battle that will ultimately cost us all. That said, we need to see some good faith efforts on the part of the SFMTA, such as providing sufficient staffing to meet the needs of the taxi industry and some visible enforcement of illegal taxi and town car operations.

We believe these basic principles of K should be part of any solution we can support:

Medallions are issued only to qualified San Francisco cab drivers.

Medallion qualification must include meeting the driving requirement 4 out of 5 previous calendar years, or something similar.

Medallions are only issued to individual "natural persons" and not to corporations.

No more than one pennit per driver.

Medallions are offered first to drivers on the list and then by seniority only.

Medallion holders must meet the 800 hours a year driving requirement, unless otherwise authorized by the SFMTA for medical reasons.