

# Medallion Reform Proposal

by Athan Rebelos, 11/23/2009

***My proposal is to create two classes of medallions. These two classes would be "INDIVIDUAL" and "FLEET".***

"FLEET" class medallions will be prohibited from picking up at SFO and will only be permitted to pick up within SF city limits. They must either be operated exclusively as gas & gate cabs or with employee drivers. "FLEET" class medallions would only be available to color schemes that are consistently in compliance with all federal, state and local rules and regulations. "FLEET" class medallions will be newly issued medallions in the 5000 - 5999 number series (7000 - 7999 should be reserved for a second round). They will be bid on by the qualified color schemes. The bid will be for a 4 year lease, in blocks of 5 medallions. The lease fees will be divided between the SFMTA for purposes of regulation & enforcement, between the City of San Francisco for the general fund, a driver medical insurance plan and a fund for drivers who have been injured on the job and are no longer able to work. Any color scheme which violates the qualifiers after they have won the bid or have retained use of the medallions will have all of their "FLEET" medallions revoked by the SFMTA. The revoked medallions will become available for new bids, again in blocks of 5. At the end of the 4 year term the SFMTA will submit terms to renew the lease for an additional 4 years. If the color scheme and the SFMTA do not agree to the terms within 60 days the medallions will be returned to the SFMTA and new bids will be requested.

These "FLEET" medallions will help to stabilize color schemes, they will provide entry level opportunities in all sectors of the industry and they will put cabs where they are needed. They will provide incentive for color schemes to establish strong market presence, to establish loyal ridership and to consistently abide by all regulations and laws.

"INDIVIDUAL" class medallions will continue to operate as they already are. The list will continue and drivers can add their names in anticipation of either receiving a medallion or for the opportunity to bid. Drivers who have operated "INDIVIDUAL" class medallions in compliance with all rules and regulations for 10 consecutive years can request "bids for transfer" from the next 10 qualified applicants on the medallion list. The bids will be for the right to operate one "INDIVIDUAL" class medallion for 10 years. Unsuccessful bidders or those who elect not to bid will retain their position on the list. 50% of the winning bid will be directed to the former medallion holder. The remaining 50% will be divided by the SFMTA, City of San Francisco and a driver trust for the estate of drivers who can no longer work because of an on the job injury or death. The winning bidder will have to operate the said medallion in compliance for a minimum of 10 years before they can request "bids for transfer". Drivers who have their medallions revoked or who default are not entitled to any compensation. Defaulted or revoked medallions will be submitted for bid. Pre K medallions will continue as they are until they are returned to the SFMTA, at which point they will be issued to the next qualified medallion list applicant.

The new class of "INDIVIDUAL" and the accompanying list will retain the ideals behind Prop K. This will afford various levels of opportunities to the career drivers and will provide an exit strategy.

**ATHAN REBELOS**

**Hayashi, Christiane**

**From:** Athan Rebelos [mailto:ath@sfmta.com]  
**Sent:** Tuesday, November 24, 2009 10:08 AM  
**To:** Jane Bolig  
**Cc:** Bud Hazelkorn; Hayashi, Christiane; Joe Mirabile; Laurie Graham; Mark Gruberg; Morton F. Weinstein; Ruach Graffis; Veena Dubal; Willie Brown Jr.  
**Subject:** Re: Medallion Reform Proposal

Thanks for asking good questions Jane.

The "FLEET" medallions would be bid on for a 4 year lease so a bank loan may not be necessary except for initiation costs. Presumably the payments would be due monthly or quarterly. The SFMTA will offer terms for renewal at the end of each 4 year term, it's likely that they'll be market driven terms so I think many color schemes would opt for renewal. There is a 60 day window for the two parties to negotiate after which point the SFMTA would request for bids from other color schemes.

The thought behind these medallions being prohibited from picking up at SF● is that they would be utilized in the city by shift drivers. The color scheme in order to keep the shifts filled would have a direct interest in keeping these cabs busy with competent drivers. Most color schemes right now just collect fees from drivers, they just keep them coming through the door and emptying their wallets. These cabs during most shifts will need to be driven by "radio players" who know the City, who ride orders and who are interested in serving the community. The SFMTA will also have an ongoing financial interest in these cabs. The better business is, the more SFMTA can lease these medallions for. The better the business at the color scheme, the more they can bid for these medallions.

I don't know if the Board at Green Cab feels like I do, I'm representing only myself here but I'm confident that a competent color scheme could successfully run these medallions and fill all the shifts. Of course the unknown is scary. There's a certain risk that some company may overbid. At the end of the day though that company will lose the medallions. They will not be able to operate them at a profit and they will either go out of business or give up the medallions. We will need to have faith that the market will determine the true value of these medallions. Again, I'm very confident that I could fill these shifts and operate a fleet of City only cabs quite successfully. Also the medallions are bid on in blocks of 5 so it is very unlikely that one color scheme will bid on and win all 100. There would be tremendous up front costs to adding that many cabs at once, for any SF company. I see YCC ending up with about half of them, DeSoto & Luxor with some and then Green, Royal and others with clumps of 5-15 initially. I think some companies would decide that they're more trouble than they're worth and I think other companies will make them a base of their operation.

By the way, it's inaccurate that they "must be driven by employee drivers". What I wrote is that the cabs must be operated as gas & gate cabs or with employee drivers. The strict policy of revoking the medallions assures that the purposes of these medallions is met. We don't need a B\*y Cab or an \*rrow Cab just scooping up medallions and long term leasing them to some one who will just go sit at a hotel line.

Athan

Mr. Athan Rebelos

11/29/2009

SF Green Cab, LLC

[www.athanrebelos.com](http://www.athanrebelos.com)

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<http://www.yelp.com/biz/sf-green-cab-san-francisco>

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On Tue, Nov 24, 2009 at 12:10 AM, Jane Bolig <

> wrote:

Dear Athan,

Permits that cannot pick up at the airport; can't be owned but only leased - in a bidding war, yet; must be driven by employee drivers; must be in compliance with a host of regulations - a violation of the least leading to revocation. Why would the bank lend money against them? Which drivers would want to drive them? What full-service company would want to hold them?

Jane

On Mon, Nov 23, 2009 at 1:56 PM,

> wrote:

Hi everyone,

Included below is an attachment as well as a web link to my medallion reform proposal. I apologize but I do not have the time, especially during the week before Thanksgiving to make a presentation at the Town Hall, although I will try to come by with copies of my proposal.

Medallion Reform Proposal; [http://docs.google.com/View?id=dgdvbw\\_2922vxts3fh](http://docs.google.com/View?id=dgdvbw_2922vxts3fh)

11/29/2009

Thank you for your consideration,  
Athan Rebelos

**Hayashi, Christiane**

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**From:** Athan Rebelos [athanrebelos@gmail.com]  
**Sent:** Sunday, March 29, 2009 11:54 AM  
**To:** Hayashi, Christiane; Johnson, Debra; Thigpen, Jordanna; Marshall, Corey; Ford, Nathaniel; Boomer, Roberto  
**Cc:** Daly, Chris  
**Subject:** Back to the Front

I urge you to take a position against the trashing of Prop K. Mayor Newsom's thought to use the taxi industry and the sale/auctioning of taxi medallions in order to help bailout the City is terribly misguided.

Prop K has been a success, it has taken the medallions away from the companies and put them into the hands of individuals. It's worked and proper enforcement is key to it's continued success. For the City to use cab drivers and our industry as a bailout when it's home to institutions like Wells Fargo Bank, Gap & Levi's is just pathetic. It redefines the old military phrase, "back to the front".

I think everyone needs to understand that other City's are now turning to our medallion model as a just method of allocation and balancing power in the industry. Mayor Newsom seems obsessed with Mayor Bloomberg but New York's taxis are notoriously ineffective! We need to increase driver standards and vehicle standards. That is how we will make taxis more readily available. A well informed and qualified cab driver knows that sitting at SFO for 3 hours isn't good for business. Qualified drivers will pick up those fares in the Avenues and they will put themselves where the demand is. They will understand the City and it's ebbs and flows. The sale or auctioning of medallions will put more financial pressure onto the drivers. The standard of living will further decrease and less qualified drivers will dominate the industry. Please help prevent the auctioning or sale of taxi medallions in order to bailout the City. This attempt to pilage future medallion holders must be stopped now. Sooner than later.

San Francisco's financial shortfall is temporary. Fees and costs incurred by the taxi industry will be permanent and will increase through the years. I hope you'll decide against any further monetary shake down of our industry by this City which we serve!

Mr. Athan Rebelos  
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[www.athanrebelos.com](http://www.athanrebelos.com)

Yogi Berra - "A nickel ain't worth a dime anymore."

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