Our Statement on the SFMTA’s Medallion Reform Proposal

The taxi system in San Francisco is in crisis. Because of the unrestricted proliferation of Ubers and Lyfts, taxi drivers have suffered devastating declines in their incomes. While all drivers are in financial distress, taxi drivers who purchased medallions are suffering the most. Almost 25 per cent of purchased medallion holders—working taxi drivers, mostly immigrants—have had their loans foreclosed, their credit damaged, and their dreams shattered. Many want to sell their medallions, but there are no buyers.

The Medallion Sales Program experiment has failed.
The City of San Francisco killed it.

In 2010, the SFMTA ended the voter-approved Proposition K medallion system, which mandated that medallions were not to be bought and sold, but granted for a nominal fee to taxi drivers who put their names on a Waiting List and earned medallions through years of sweat equity. In its place, the SFMTA enacted a pilot program selling medallions to taxi drivers for $250,000.

In the spring of 2012, before the Medallion Sales Program became permanent, Sidecar and Lyft began operating in San Francisco, using a smart phone app that connected passengers with drivers using in their personal cars—clearly providing taxi services without complying with taxi regulations. The city made no effort to prohibit their operations or to regulate them. Edward D. Reiskin, Director of Transportation for the San Francisco Municipal Transportation Agency, explained that the SFMTA took no action because “it. . . was fairly clear that city hall didn’t want us to step in and do so.”¹ Thus, the agency that had been set up to be independent of political influence took its direction from City Hall.

Because of this deliberate inaction, a state agency, the California Public Utilities Commission, declared it had jurisdiction, preempted local control, and adopted lax regulations for what they called a new form of transportation service: Transportation Network Companies, or TNCs.

Backed by millions in venture capital funding, and free from local regulation, Uber and Lyft have priced their rides below cost and flooded the streets of San Francisco with vehicles to ensure quick pick-up times and gain market share over taxis.

The SFMTA sold approximately 720 medallions, raising over $60 million from working taxi drivers to close a budget shortfall caused by the 2009-2010 recession, to the benefit of the City and County and the people of San Francisco.

The SFMTA has not sold a taxi medallion since April 2016, and the San Francisco Federal Credit Union, which financed the medallion loans, has sued the agency for breach of contract.

The SFMTA wants taxi drivers to pay for the mess they made.

Now, the SFMTA has issued another “Taxi Medallion Reform” proposal, shirking their responsibility for the mess they made, and asking taxi drivers to pay for it.

First, the SFMTA proposes to help purchased medallion holders by allowing only taxis licensed with a purchased medallion to pick up at SFO, banning more than half of the taxi fleet from working at the airport and creating classes of taxis with different privileges. This proposal pits driver against driver, robbing Peter to pay Paul. Thousands of taxi drivers will be denied a crucial means of earning a living. Many drivers are likely to quit, reducing the number of taxis serving The City, and harming those who rely on taxi service the most, our senior citizens and disabled community. It will turn The City over to Uber and Lyft!

Second, the SFMTA proposes that medallions purchased before Proposition K was enacted, known as Pre-K medallions, not be renewed, permanently depriving medallion holders who have followed all regulations, and who have done nothing wrong, of their medallions and the income derived from them. The SFMTA’s rationale: Pre-K medallion holders have held their medallions for at least forty years, and over that period, their medallions have earned them money enough. What other city license would be revoked for reasons like these? Taking these cabs off the streets will mean less service at busy times when they’re most needed.

Third, the SFMTA proposes eliminating the requirement that only working taxi drivers are eligible to buy medallions, and allowing corporations and other investors to purchase up to 50 medallions, taking medallions out of the hands of working taxi drivers. This proposal is a desperate ploy to save the failed Medallion Sales Program, and the SFMTA has cynically omitted from their presentation the fact the first medallions sold will be the foreclosed ones—not those currently held by struggling taxi drivers, giving false hope to many. But who will now buy a medallion for $250,000?

Our Demands

The San Francisco Taxi Workers Alliance calls on the City and County of San Francisco to:

- Refund the purchase price for sold medallions and let the medallion holders keep them for life.
- Guarantee that there are no more foreclosures due to hardship.
- Allow all taxis and taxi drivers to pickup at SFO.
- Allow individual Pre-K medallion holders to keep their medallions for life.
- Prohibit future medallions sales.
- And issue medallions only to working taxi drivers—not to corporations and investors.

And finally, the San Francisco Taxi Workers Alliance calls on the City and County of San Francisco to:

- Take back our streets by regulating Uber and Lyft!