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Resolution Opposing Parts of the SFMTA Draft Taxi Medallion Reform Package and Urging the SFMTA and the City of San Francisco to Refund the Purchase Price of Medallions Instead

Whereas, 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; and

Whereas, 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 List and earned medallions through years of sweat equity. In its place, the SFMTA enacted a Medallion Sales Program, selling medallions to working taxi drivers for \$250,000; and

Whereas, before the Medallion Sales Program became permanent, Sidecar, Lyft, and UberX began operating in San Francisco, providing taxi services without complying with taxi regulations, and neither the SFMTA nor the Board of Supervisors made any effort to prohibit their operations or regulate them; and

Whereas, because of this inaction, a state agency, the California Public Utilities Commission, declared it had jurisdiction, preempted local control, and adopted only minimal regulations for Uber and Lyft; and

Whereas, 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; and

Whereas, the SFMTA sold approximately 720 medallions, raising over \$60 million from working taxi drivers to close its budget shortfall, caused by the 2008-2012 recession, to the benefit of the City and County and the people of San Francisco; and

Whereas, 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; and

Whereas, on October 16, 2018, the SFMTA Board of Directors passed, by a vote of 4-2, with one member absent, a Resolution adopting a “Taxi Medallion Reform” proposal that seeks to help purchased medallion holders by authorizing the Transportation Director to allow only taxis licensed with a purchased medallion to pick up at SFO, banning 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; and



Whereas, the Resolution eliminates a requirement that only working taxi drivers are eligible to buy medallions, and allows corporations and other business entities to purchase up to 50 medallions, taking medallions out of the hands of working taxi drivers; and

Whereas, the Board of Directors has postponed a vote on a provision of the proposal that would prohibit the renewal of medallions purchased before Proposition K was enacted (known as Pre-K medallions), permanently depriving medallion holders who have followed all regulations and who have done nothing wrong, of their medallions and the income derived from them; and

Whereas, the Board of Directors adopted the Resolution despite the urgings of five members of the Board of Supervisors, Aaron Peskin, Sandra Lee Fewer, Rafael Mandelman, Norman Yee and Hillary Ronen, who wrote: "In light of serious concerns raised by impacted stakeholders and the lack of analysis to inform the debate surrounding likely effects of other proposed reforms, we cannot support at this time staff proposals (1) to limit the types of medallions authorized to pick up at SFO, or (2) to balance fleet size and trip volumes through the non-renewal of Corporate and Pre-K Medallions";

Therefore, Be it Resolved that the San Francisco Labor Council (SFLC) urges the Board of Directors to rescind the Resolution; and if the Board of Directors does not rescind the Resolution, the SFLC urges the Director of Transportation to exercise the discretion invested in him by the Resolution and allow all cabs and cab drivers to continue to pick up at SFO; and

Therefore, Be it Further Resolved that the SFLC demands that individual Pre-K medallion holders be allowed to keep their medallions for life, that future medallions sales be prohibited, and that all medallions must only be issued to working taxi drivers; and

Therefore, Be it Finally Resolved that the San Francisco Labor Council calls on the City and County of San Francisco to acknowledge its responsibility in creating this crisis, refund the purchase price for sold medallions, and let the medallion holders keep them for life.

Submitted by Peter Miller, San Francisco Taxi Workers Alliance, and unanimously adopted by the San Francisco Labor Council on November 26, 2018.

Respectfully,



Rudy Gonzalez
Executive Director