

BOARD of SUPERVISORS



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MEMORANDUM

TO: Ed Reiskin, Executive Director, Municipal Transportation Agency
Ivar Satero, Director, Airport Department

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: February 1, 2019

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Safai on January 29, 2019:

File No. 190119

Resolution urging the Municipal Transportation Agency (SFMTA) to report back to the Board of Supervisors on the impact of the Director of Transportation's revised rules for taxi medallions, within 90 days of the effective date of those rules; and urging the San Francisco International Airport to take necessary steps to restrict Transportation Network Companies (TNCs) from picking up fares at the Airport.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: erica.major@sfgov.org.

c: Kate Breen, Municipal Transportation Agency
Janet Martinsen, Municipal Transportation Agency
Joel Ramos, Municipal Transportation Agency
Cathy Widener, Airport Department

1 [Urging Municipal Transportation Agency to Report Back with Findings of the New Rules for
2 Taxi Pick-Ups at San Francisco International Airport (SFO) and Urging SFO to Restrict
3 Transportation Network Companies]

4 **Resolution urging the Municipal Transportation Agency (SFMTA) to report back**
5 **to the Board of Supervisors on the impact of the Director of Transportation's**
6 **revised rules for taxi medallions, within 90 days of the effective date of those**
7 **rules; and urging the San Francisco International Airport to take necessary steps**
8 **to restrict Transportation Network Companies (TNCs) from picking up fares at the**
9 **Airport.**

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11 WHEREAS, As of 2019, 1455 medallion cabs are currently in service, and of
12 those 1455 medallion holders, 83 are held by corporations, 176 were issued prior to
13 Prop-K in 1978 and required no driving requirement, 569 were issued post Prop-K to
14 one driver with a driving requirement, and 558 were sold by San Francisco Municipal
15 Transportation Agency (SFMTA) beginning in 2010 for \$250,000 each; and

16 WHEREAS, On October 16, 2018, following presentations by SFMTA and San
17 Francisco International Airport (SFO) staff, the SFMTA Board (MTAB) adopted reforms
18 to the City's regulation of the taxi industry, including the removal of restrictions on the
19 purchase of taxi medallions, a three year waiver of the 5% taxi medallion retransfer fee,
20 and delegation of authority to the Director of Transportation to propose restrictions on
21 the classes of taxi medallions authorized to pick up fares at SFO; and

22 WHEREAS, The MTAB action marked a tangible step in SFMTA's ongoing
23 efforts to level the playing field between the taxi industry and Transportation Network
24 Companies (TNCs) like Uber and Lyft, including SFMTA's participation in over 30 briefs
25

1 to the California Public Utilities Commission (CPUC) to participate in TNC rulemaking;
2 and

3 WHEREAS, The MTAB action also followed the May 2018 release of the
4 PFM/Schaller Report which recommended, among other actions, opening up the
5 medallion market, providing more direct support for purchased medallion holders,
6 lowering medallion prices, right sizing the market, and creating a sustainable accessible
7 taxi program; and

8 WHEREAS, On December 27, 2018, Director of Transportation Ed Reiskin
9 issued a Report on Taxi Medallion Rules at San Francisco International Airport detailing
10 medallion rule changes and timelines for taxi medallions, which include allowing
11 purchased medallions expedited access to collect fares at SFO at all times, allowing
12 Post-K Earned medallions non-expedited access to collect fares at SFO, and a
13 prohibition on Corporate and Pre-K medallions from pick-ups at SFO at all times; and

14 WHEREAS, Since the arrival of under-regulated Transportation Network
15 Companies like Uber and Lyft in 2010, the value of regulation taxi medallions has
16 plummeted, to the detriment of medallion holders who have struggled to earn the fares
17 needed to pay for the high cost of their loans; and

18 WHEREAS, Distinct from the regulatory authority of policymakers in the City and
19 County of San Francisco, whose authority to regulate TNCs has largely been
20 preempted by CPUC edict, the Airport retains jurisdiction to subject TNCs to ground
21 transportation lease and possesses the authority to restrict TNCs from performing pick-
22 ups at the Airport; and

23 WHEREAS, The Airport has entered into a Permit agreement with TNCs to allow
24 them to drop-off and pick-up passengers at the Airport at the Limo rate of \$3.85 for each
25 drop-off and pick-up, which fees are evaluated annually based on a cost recover model;
now, therefore, be it

1 RESOLVED, That the Board of Supervisors hereby urges the SFMTA to report
2 back on the impact of the Director of Transportation’s Report on Taxi Medallion Rules at
3 San Francisco International Airport to taxi medallion holders, including the benefit of the
4 adjusted rules to purchased medallion holders, the impact of the new restrictions on
5 Post-K earned medallion holders, the number of medallions that are surrendered as a
6 direct result of the new restrictions, impact of the new rules on the market value and
7 transferability of existing medallions, and an update on the status of Phase 3 (the
8 “Digital Queue”) of the SFO Medallion Rules; and be it

9 FURTHER RESOLVED, That the Board of Supervisors urges the Airport
10 Commission of the San Francisco International Airport to take necessary steps to
11 restrict or otherwise de-prioritize access to SFO by Transportation Network Companies;
12 and, be it

13 FURTHER RESOLVED, That the Clerk of the Board of Supervisors forward this
14 Resolution to the San Francisco International Airport and its Commission, to the San
15 Francisco Municipal Transportation Agency and its Board of Directors, and to the San
16 Francisco Taxi Industry.

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