

Service AND **Fairness**

**A Plan for Reshaping Proposition K
And Restructuring San Francisco's Taxi Industry
With the Rider, Driver and Cab Company in Mind**

Presented to:
**Taxi Advisory Council
of the
Municipal Transportation Agency**

By:
Ruach Graffis

1/9/12

Service A N D

Fairness

**A Plan for Reshaping Proposition K And Restructuring San
Francisco's Taxi Industry With the Rider, Driver and Cab
Company in Mind**

**Presented to: Taxi Advisory Council of the A Municipal
Transportation Agency**

By: Ruach Graffis

INTRODUCTION

If you listen to the news in the morning, you will surely hear the "traffic report." It is the familiar tale of urban transportation problems, many of them generated by the congestion of too many cars on the road and the inevitable traffic accidents that result. If the weather is particularly hot – or cold – you might hear that it is a "spare the air day," when pollution is particularly bad. Commuters, and any other travelers, are encouraged to take mass transit. The on time status of BART, MUNI and CalTrains are reported with the implication that these constitute the range of mass transportation options. But these municipalized modes are not the whole story. The oft forgotten part of the mass transit system is the taxi. Because taxis are at the high end of the price range and generally part of the private sector, our role in mass transit is often short changed and overlooked, to the detriment of cities and passengers.

Public policy bodies, when they address the industry at all, tend to do so in a reactionary way: "drivers must wear shirts with a collar" and "cabs cannot have dents larger than a quarter." But there is more to cabs and cab drivers than a dress code and pretty cabs. Cities need to address the industry with the attention that a multi-million dollar transportation industry requires and fully integrate us into the mass transit system. "Fully integrated" would include advantaging cabs with special driving lanes and turning privileges, and treating drivers with the respect they deserve. Fully integrated, taxis could help cities reduce the number of cars on the streets, and even reduce the number of cars that city residents feel compelled to buy. This approach will increase the quality of life for everyone.

"Respect" is not a warm fuzzy word. To turn a job that is currently low paying, has long grueling hours, and is dangerous, into a desirable professional choice, will take thought and commitment from the controlling municipality. From San Francisco. From you, the policy makers. But it is worth the effort. San Francisco prides itself on being a "world class city." We are one of the top destination choices for people from around the world. We deserve a world class taxi system, but to get that, we will have to treat it with the respect it

INTRODUCTION

If you listen to the news in the morning, you will surely hear the report.” It is the familiar tale of urban transportation problems, many of them generated by the congestion of too many cars on the road and the inevitable traffic accidents that result. If the weather is particularly hot — or cold - you might hear that it is a “spare the air day,” when pollution is particularly bad. Commuters, and any other travelers, are encouraged to take mass transit. The on time status of BART, MUNI and CalTrains are reported with the implication that these constitute the range of mass transportation options. But these municipalized modes are not the whole story. The oft forgotten part of the mass transit system is the taxi. Because taxis are at the high end of the price range and generally part of the private sector, our role in mass transit is often short changed and overlooked, to the detriment of cities and passengers.

Public policy bodies, when they address the industry at all, tend to do so in a reactionary way: “drivers must wear shirts with a collar” and “cabs cannot have dents larger than a quarter.” But there is more to cabs and cab drivers than a dress code and pretty cabs. Cities need to address the industry with the attention that a multi-million dollar transportation industry requires and fully integrate us into the mass transit system. “Fully integrated” would include advantaging cabs with special driving lanes and turning privileges, and treating drivers with the respect they deserve. Fully integrated, taxis could help cities reduce the number of cars on the streets, and even reduce the number of cars that city residents feel compelled to buy. This approach will increase the quality of life for everyone.

“Respect” is not a warm fuzzy word. To turn a job that is currently low paying, has long grueling hours, and is dangerous, into a desirable professional choice, will take thought and commitment from the controlling municipality. From San Francisco. From you, the policy makers. But it is worth the effort. San Francisco prides itself

We—are-one~of—the—top~destination
choices for people from around the world. We deserve a world class taxi
system, but to get that, we will have to treat it with the respect it

deserves, not treat it as an after thought, or a cash cow for other parts of the system.

The taxi industry wants to contribute its fair share to the city, both as part of the transportation system, and as part of the public face of the city, but the needs of the industry must also be considered. Drivers quality of life must also be considered. We must be able to make a living wage, raise families, have job security, healthcare and look forward to a secure retirement. This is a story of how San Francisco – how you – can make that happen.

A Little History

For decades prior to 1976 the industry was controlled primarily by government regulation through various agencies (because it affected public health and safety), and through union-management negotiated contracts (which controlled the working conditions of the drivers). The voters had ultimate authority, but that control was rarely exercised.

The government-union-company balancing act came crashing down in six short months between 1976-77. In November 1976, old Yellow Cab went bankrupt. Over night 1,000 drivers were on the streets. When the Veterans contract came up for negotiations in December the company held a hard line and the union drivers went on strike. It was a no win situation for the union. With so many former Yellow drivers on the streets, there were enough drivers willing to cross the picket line to break the strike. Veterans Cab drivers signed individual contracts. In May, the same scenario was repeated at DeSoto Cab. The union was effectively broken.

With the demise of the union as a counter weight to company power, the historical balance ended. The city did not step into the breach that resulted and companies held nearly absolute control of the industry universe until the voters passed Proposition K in 1978. Even after that, until 1999 and the formation of the Taxi Commission, the companies controlled the industry with very little opposition or oversight.

deserves, not treat it as an after thought, or a cash cow for other parts of the system.

The taxi industry wants to contribute its fair share to the city, both as part of the transportation system, and as part of the public face of the city, but the needs of the industry must also be considered. Drivers quality of life must also be considered. We must be able to make a living wage, raise families, have job security, healthcare and look forward to a secure retirement. This is a story of how San Francisco — how yo_u — can make that happen.

A Little Histdry

L For decades prior to 1976 the industry was controlled primarily by government regulation through various agencies (because it affected public health and safety), and through union-management negotiated contracts (which controlled the working conditions of the drivers). The voters had ultimate authority, but that control was rarely exercised. '

The government-union-company balancing act came crashing down in six short months between 1976-77. In November 1976, old Yellow Cab went bankrupt. Over night 1,000 drivers were on the streets. When the Veterans contract came up for negotiations in December the company held a hard line and the union drivers went on strike. It was a no win situation for the union. With so many former Yellow drivers on the streets, there were enough drivers willing to cross the picket line to break the strike. Veterans Cab drivers signed individual contracts. In May, the same scenario was repeated at DeSoto Cab. The union was effectively broken.

With the demise of the union as a counter weight to company power, the historical balance ended. The city did not step into the breach that resulted and companies held nearly absolute control of the industry universe until the voters passed Proposition K in 1978. Even after that, until 1999 and the formation of the Taxi Commission, the companies controlled the industry with very little opposition or oversight.

Prop K was, in part, an effort to re-create a counter balance to the companies. K required that permit holders be natural persons, and eliminated future issuance of corporate medallions. "Old Yellow" had owned about half the medallions in the city, and when they closed their doors, the city, over night, lost about half of the cabs on the streets. Chaos ensued. Prop K anticipated that without corporate medallions, if a company went bankrupt again, the medallion holders could just walk their medallion down the block and have their medallion back on the streets in a minimum period of time. The city would not face the transit disaster of November 1976.

By requiring that medallion holders be natural persons, Prop K made medallion holders much more powerful, but it also created two competing classes of drivers: medallion holders and non-medallion holders, and by requiring drivers to guess about their future 10-15 years in advance and put their name on a list at the police department, rather than tying medallions to seniority, it added and unfortunate element of chance to the mix. ("The List" lives on, in infamy, to this day, and currently has about 2,000 names on it.)

Before 1976, gates, and the medallion holders fees were controlled by the union contract. The medallion holders got a modest fee for leasing their medallions to companies, but certainly not enough to be considered a stand-alone income. After the passage of Prop K in 1978, with no controls in place, the medallion holder fee increased sufficient to double the income of the average non-medallion holding cab driver. The money for this dramatic increase came from constant, and uncontrolled, gates increases. The financial stress on the non-medallion working driver became so great that the city, through the Board of Supervisors, was forced to step in and institute a "gate cap." It currently stands at \$96.50 for regular cabs and \$104 for hybrids and CNG cabs. The medallion fee is still unregulated. **The two-tiered system for drivers is a source of constant stress in the industry, and any changes that are initiated should address this problem. All drivers, medallions holders or no, should have job security, and retirement security.**

But back to Prop K. It could be argued that Prop K anticipated the concept of the Americans with Disabilities Act (ADA) by its minimal driving requirement for medallion holders. The original language of

required that permit holders be natural persons, and eliminated future issuance of corporate medallions. "Old Yellow" had owned about half the medallions in the city, and when they closed their doors, the city, over night, lost about half of the cabs on the streets. Chaos ensued. Prop K anticipated that without corporate medallions, if a company went bankrupt again, the medallion holders could just walk their medallion down the block and have their medallion back on the streets in a minimum period of time. The city would not face the transit disaster of November 1976.

By requiring that medallion holders be natural persons, Prop K made medallion holders much more powerful, but it also created two competing classes of drivers: medallion holders and non-medallion holders, and by requiring drivers to guess about their future 10-15 years in advance and put their name on a list at the police department, rather than tying medallions to seniority, it added an unfortunate element of chance to the mix. ("The List" lives on, in infamy, to this day, and currently has about 2,000 names on it.)

Before 1976, gates, and the medallion holders fees were controlled by the union contract. The medallion holders got a modest fee for leasing their medallions to companies, but certainly not enough to be considered a stand-alone income. After the passage of Prop K in 1978, with no controls in place, the medallion holder fee increased sufficient to double the income of the average non-medallion holding cab driver. The money for increase came from constant, and uncontrolled, gates increases. The financial stress on the non-medallion working driver became so great that the city, through the Board of Supervisors, was forced to step in and institute a "gate cap." It currently stands at \$96.50 for regular cabs and \$104 for hybrids and CNG cabs. The medallion fee is still unregulated. The two-tiered system for drivers is a source of constant stress in the industry, and any changes that are initiated should address this problem. All drivers, medallions holders or no,

, should have job security, and retirement security.

But back to Prop K. It could be argued that Prop K anticipated the concept of the Americans with Disabilities Act (ADA) by its minimal driving requirement for medallion holders. The original language of

Prop K required that medallion holders drive a minimum of four hours a day, three-quarters of the business days of the year. Since a regular cab shift is 10-12 hours, the four hour minimum was a significant reduction. "Three-quarters of the business days" was originally determined to be 185 shifts a year. The interpretation of the original driving was further reduced through administrative decisions to 800 hours, or a modest 80 shifts a year.

The very modesty of the low driving requirement encouraged some people to consider the medallion income as a supplemental income to another job, their "regular job." It became a windfall, paid for by the working cab driver. That idea got unfortunate traction because the SFPD Taxi Detail did not enforce the driving requirement for over 20 years. People began to see the medallion, once again, as in pre-Prop K days, as personal property, or at the very least, as a retirement income, without any strings attached. With the advent of a Taxi Commission, the driving requirement began to be enforced, leading to court cases to reduce or remove the driving requirement, but there were decades of misplaced expectations to overcome.

The original intent of Prop K was to create a pool of safe, experienced cab drivers that the city could rely on to serve the community. While the driving requirement was reduced, and unenforced, this aim was thwarted. None-the-less, the requirement to drive a cab as an "essential requirement of the job" has been judicially upheld and been repeatedly affirmed at the ballot box.

three-quarters of the business days of the year. Since a regular cab shift is 10-12 hours, the four hour minimum was a significant reduction. "Three-quarters of the business days" was originally determined to be a year. The interpretation of the original driving was further reduced through administrative decisions to 800 hours, or a modest 80 shifts a year.

The very modesty of the low driving requirement encouraged some people to consider the medallion income as a supplemental income to another job, their "regular job." It became a windfall, paid for by the working cab driver. That idea got unfortunate traction because the SFPD Taxi Detail did not enforce the driving requirement for over 20 years. People began to see the medallion, once again, as in preProp K days, as personal property, or at the very least, as a retirement income, without any strings attached. With the advent of a Taxi Commission, the driving requirement began to be enforced, leading to court cases to reduce or remove the driving requirement, but there were decades of misplaced expectations to overcome.

The original intent of Prop K was to create a pool of safe, experienced cab drivers that the city could rely on to serve the community; While the driving requirement was reduced, and unenforced, this aim was thwarted. None-the-less, the requirement to drive a cab as an "essential requirement of the job" has been judicially upheld and been repeatedly affirmed at the ballot box.

Prop K – it's strengths and it's weaknesses

Prop K provided significant benefits to both cab drivers and the public. Any proposed changes in its provisions should harmonize with its purpose of placing non-transferable medallions in the hands of working taxi drivers. But, as is all too common, in trying to fix some problems, Prop K created a few problems of its own. There were two public policy problems, and three major industry problems that K did not contemplate:

The Public Policy problems:

1. The number of medallion holders would always be a small percentage of the number of cab drivers, thus limiting the number of dedicated, experienced drivers in the industry. This will be treated in the section titled "Other Public Policy Issues."
2. Prop K awarded medallions to people with sufficient foresight, but it did not take into account seniority or experience.

The Industry Problems:

3. The cyclical nature of the industry
4. The long wait to get a medallion
5. An exit strategy for aging drivers

The first of the industry problems is the cyclical nature of the business. Eight AM Sunday requires a significantly different number of cabs than eight PM Saturday. June is different than January. Special events like the Bay to Breakers race create needs that are off-the-charts crazy for our industry.

No city in the country has adequately answered the cyclical problems the taxi industry faces. Most cities have allowed the proliferation of illegal gypsy cabs and illegally operating limousines as a way to address the problem. But this is not only not an adequate answer, it also puts the public at risk. There is no oversight on these illegally operating vehicles, and SFPD has documented a number of instances where passengers were robbed, and even sexually assaulted by these drivers. Clearly the answers we come up with have to address this problem.

Prop K — it's strengths and it's weaknesses

Prop K provided significant benefits to both cab drivers and the public. Any proposed changes in its provisions should harmonize with its purpose of placing non-transferable medallions in the hands of working taxi drivers. But, as is all too common, in trying to fix some problems, Prop K created a few problems of its own. There were two public policy problems, and three major industry problems that K did not contemplate:

The Public Policy problems:

1. The number of medallion holders would always be a small percentage of the number of cab drivers, thus limiting the number of dedicated, experienced drivers in the industry. This will be treated in the section titled "Other Public Policy Issues."
2. Prop K awarded medallions to people with sufficient foresight, but it did not take into account seniority or experience.

The Industry Problems:

3. The cyclical nature of the industry
4. The long wait to get a medallion
5. An exit strategy for aging drivers

The first of the industry problems is the cyclical nature of the business. Eight AM Sunday requires a significantly different number of cabs than eight PM Saturday. June is different than January. Special events like the Bay to Breakers race create needs that are off-the-charts crazy for our industry.

No city in the country has adequately answered the cyclical problems the taxi industry faces. Most cities have allowed the proliferation of

illegal gypsy cabs and illegally operating limousines as a way to

address the problem. But this is not only not an adequate answer, it also puts the public at risk. There is no oversight on these illegally operating vehicles, and SFPD has documented a number of instances where passengers were robbed, and even sexually

assaulted by these drivers. Clearly the answers we come up with have to address this problem. -

The high gates (due to unregulated medallion holder fees) and the long wait on The List have encouraged taxi drivers to leave the business and become illegal limo drivers. The Daly-Ma Amendment (passed 2004, effectively implemented 2005) was an effort to address part of this problem by increasing the driving requirement to become a medallion holder. With the increased driving requirement, it takes 2-3 (or more) people on The List to find one who is qualified to get a medallion, moving The List much faster. It seems to be working. It has been one of the few bright spots in this industry's recent history.

As of this writing, the medallion fee is still unregulated. This omission continues to put great stress on the industry. In 1998, it was believed that by controlling the meter and the gates, medallion control would be unnecessary. This proved not to be the case. Since 1978 and Prop K, the main way for a company to grow has been to attract medallion holders. The main way to do that was to promise a higher medallion lease payment. Since the meter has been regulated for decades, the companies found it easiest to increase the drivers' gates, but with the advent of gate control, companies were forced to either reduce their own costs by providing less than adequate phone/dispatch service, or by lobbying the city for an increase in meter rates. At various times, each scenario has been tried, sometimes simultaneously. Lacking the proper controls, this scatter-gun approach has of course negatively affected service.

With the demise of the union in 1976, drivers have had to come, again and again, to the voters and city hall in an attempt to address internal industry issues that formerly were addressed by union-company contracts. But the political process is slow and recalcitrant and subject to political pressures. Eventually, Mayor Brown created a Mayor's Taxi Task Force designed to find some commonalities in the industry. Out of that was created the Taxi Commission which was supposed to pick its way through the competing interests in our industry and create a path we could all live with.

Unfortunately the Taxi Commission was not adequate to the job, although it had some successes. The Board of Supervisors still heard from members of the industry, with, from their point of view, annoying regularity. Their frustration led them to seek a new solution. Eventually some of them perceived a way to solve the problem. Put

The List have encouraged taxi drivers to leave the business and become illegal limo drivers. The Daly-Ma Amendment (passed 2004, effectively implemented 2005) was an effort to address part of this problem by increasing the driving requirement to become a medallion holder. With the increased driving requirement, it takes 2-3 (or more) people on The List to find one who is qualified to get a medallion, moving The List much faster. It seems to be working. It has been one of the few bright spots in this industry's recent history.

As of this writing, the medallion fee is still unregulated. This omission continues to put great stress on the industry. In 1998, it was believed that by controlling the meter and the gates, medallion control would be unnecessary. This proved not to be the case. Since 1978 and Prop K, the main way for a company to grow has been to attract medallion holders. The main way to do that was to promise a higher medallion lease payment. Since the meter has been regulated for decades, the companies found it easiest to increase the drivers' gates, but with the advent of gate control, companies were forced to either reduce their own costs by providing less than adequate phone! dispatch service, or by lobbying the city for an increase in meter rates. At various times, each scenario has been tried, sometimes simultaneously. Lacking the proper controls, this scatter-gun approach has of course negatively affected service.

With the demise of the union in 1976, drivers have had to come, again and again, to the voters and city hall in an attempt to address internal industry issues that formerly were addressed by unioncompany contracts. But the political process is slow and recalcitrant and subject to political pressures. Eventually, Mayor Brown created a Mayors Taxi Task Force designed to find some commonalities in the industry. Out of that was created the Taxi Commission which was supposed to pick its way through the competing interests in our industry and create a path we could all live with.

Unfortunately the Taxi Commission was not adequate to the job, although it had some successes. The Board of Supervisors still heard from members of the industry, with, from their point of view, annoying regularity. Their frustration led them to seek a new solution. Eventually some of them perceived a way to solve the problem. Put

all the control of the industry into the hands of the MTA. Proposition A was the result.

Looking to the Future

Clearly, the authors of Prop A hoped that the MTA would step into the breach of what would normally fall into the territory of a negotiated contract. Part of the job Deputy Director Hyashi has been commissioned with is to find money for the MTA budget, but along with that directive, Deputy Director Hyashi has made it clear that she takes seriously the part of her mandate to examine and ensure a decent "quality of life" for drivers. Chief among these must be to make sure that all drivers are covered by healthcare, no matter what happens at the federal government level. In addition, we want to encourage drivers to stay in the industry long enough to **become** experienced, safe drivers, and then to **remain** in the industry so the city is advantaged by those experienced drivers. To do this, we must **all** be covered by disability and retirement, not just the medallion holders.

These goals can best be achieved by a fund, paid into by all the drivers. The fund could be called the Driver Fund and would first go to improving drivers quality of life issues, so that new hires might see this job as a long term career choice. It could be administered jointly by drivers and staff of the MTA. All drivers would contribute to this fund, from their first day in the industry. In order to draw from the retirement fund, new drivers would have to be vested, as is true for most retirement plans.

Q the control of the industry into the hands of the MTA. Proposition A was the result.

Looking to the Future

Clearly, the authors of Prop A hoped that the MTA would step into the breach of what would normally fall into the territory of a negotiated contract. Part of the job Deputy Director Hyashi has been commissioned with is to find money for the MTA budget, but along with that directive, Deputy Director Hyashi has made it clear that she takes seriously the part of her mandate to examine and ensure a decent “quality of life” for drivers. Chief among these must be to make sure that all drivers are covered by healthcare, no matter what happens at the federal government level. In addition, we want to encourage drivers to stay in the industry long enough to become experienced, safe drivers, and then to remain in the industry so the city is advantaged by those experienced drivers. To do this, we must be covered by disability and retirement, not just the medallion holders.

These goals can best be achieved by a fund, paid into by all the drivers. The fund could be called the Driver Fund and would first go to improving drivers quality of life issues, so that new hires might see this job as a long term career choice. It could be administered jointly by drivers and staff of the MTA. All drivers would contribute to this fund, from their first day in the industry. In order to draw from the retirement fund, new drivers would have to be vested, as is -true for most retirement plans.

The Plan

Entry Level

- New drivers to the industry (less than three years?) would not have a medallion, and would drive a company gates-and-gas cab, paying the current gate. The medallion in the cab, would be what was formerly called a Prop K and a pre-Prop K medallion. It could also include the medallions that were recently been bought under the new MTA program. This would be called a Master Medallion. (see below). The driver of one of these medallions would be covered by the current gate cap.
- These drivers would contribute the least, about \$5 a shift. If they were driving 20 shifts a month, this would work out to about \$100 a month. It is anticipated that the companies would have the same incentive to fill all their shifts that they now have.
- In the last three years, the city has licensed hundreds of new drivers. If the past is any judge, about 1/3rd will stay in the industry for three years. These drivers would not be able to take any money out of the retirement fund if they left before being vested, which in most industries is 10 years. To be covered by healthcare, these drivers would have to work a specified number of shifts per month/ year.

Single Operator Medallion – encouraging the career driver

- After the initial period (the afore mentioned three years?), the driver would be eligible for a Single Operator Medallion when it became available. This new category would not be attached to a specific cab, and would only operate when the SOM Holder was driving. It could not be leased to another driver.
- The SOM holder could buy a car or share the costs of owning a car with other drivers.
- SOM Holders could also rent a cab from a company. The SOMH would not have to pay a company for the use of a medallion when they were driving, so they would see a substantial increase in income.
- As a result of that savings they could contribute a higher monthly amount (say \$300 a month) to the fund. This would be a fixed amount no matter how much they drove and its reliability would facilitate the MTA's budget process. If they couldn't drive

The Plan

Entry Level

o New drivers to the industry (less than three years?) would not have a medallion, and would drive a company gates-and-gas cab, paying the current gate. The medallion in the cab, would be what was formerly called a Prop K and a pre-Prop K medallion. It could also include the medallions that were recently been bought under the new MTA program. This would be called a Master Medallion. (see below). The driver of one of these medallions would be covered by the current gate cap.

v These drivers would contribute the least, about \$5 a shift. If they were driving 20 shifts a month, this would work out to about \$100 a month. It is anticipated that the companies would have the same incentive to fill all their shifts that they now have. 0 In the last three years, the city has licensed hundreds of new drivers. If the past is any judge, about 1/3" will stay in the industry for three years. These drivers would not be able to take any money out of the retirement fund if they left before being vested, which in most industries is 10 years. To be ' 4 covered by healthcare, these drivers would have to work a specified number of shifts per month! year.

Single Operator Medallion — encouraging the career driver

0 After the initial period (the afore mentioned three years?), the driver would be eligible for a Single Operator Medallion when it » became available. This new category would not be attached to

a specific cab, and would only operate when the SOM Holder was driving. It could not be leased to another driver.

0 The SOM holder could buy a car or share the costs of owning a car with other drivers. v SOM Holders could also rent a cab from a company. The

SOMH would not have to pay a company for the use of a medallion when they were driving, so they would see a substantial increase in income.

~_-As--a_resultofethatsavings-theyeeouideeontribute—a~higher monthly amount (say \$300 a month) to the fund. This would be a fixed amount no

matter how much they drove and its reliability would-facilitate the MTA's budget process' If they couldnit drive

for more than 30 days, they could apply for a waiver and turn in their medallion, which would be returned to them when they were ready to drive again.

- There would be no driving requirement attached to this medallion, thus nothing for the MTA to enforce.
- SOM would effectively eliminate the need or desire for the long-term lease cab. The long term lease drivers are not covered by the current gate cap and as a result are charged exorbitant fees, sometimes as much \$5,500 a month for about \$1,000 worth of services. They generally buy and maintain the car, get it inspected and buy the insurance as well. Many, if not most of the people clamoring to be able to buy the medallions come from this group of drivers – and no wonder – with no gate control, they are at the mercy of the company or medallion holder.

Transferable Medallions

- This newly issued medallion would have the current driving requirement but, as is currently the case, could also be driven by other drivers who would be gates-and-gas drivers and covered under the gate cap.
- Because they are paying off a loan, their contribution to the Driver Fund would be similar to the Single Operator contribution.

Master Medallions – toward the end of a driver's career

- What are now Prop K and Pre K medallions would become part of a new category, to be called "Master Medallions." As the current Pre and Prop K medallions were returned, they would be reissued to drivers over a certain age, say 55-60 years old, and/ or those with a minimum time in the industry and qualified partially disabled career drivers who could still fulfill a modified driving requirement. This would create a way for aging medallions holders to continue in the industry while having a supplemental income by leasing of their medallion back to a company. It would also allow the city to continue to be advantaged by the skill and knowledge of the experienced driver without forcing the older driver to continue to drive beyond their capacity.

for more than 30 days, they could apply for a waiver and turn in their medallion,

which would be returned to them when they were ready to drive again. '

o There would be no driving requirement attached to this

medallion, thus nothing for the MTA to enforce. o SOM would effectively eliminate the need or desire for the long

term lease cab. The long term lease drivers are not covered by the current gate cap and as a result are charged exorbitant fees, sometimes as much \$5,500 a month for about \$1,000 worth of services. They generally buy and maintain the car, get it inspected -and buy the insurance as well. Many, if not most of the people clamoring to be able to buy the medallions come from this group of drivers - and no wonder - with no gate control, they are at the mercy of the company or medallion holder.

Transferable Medallions

o This newly issued medallion would have the current driving requirement but, as is currently the case, could also be driven by other drivers who would be gates-and-gas drivers and covered under the gate cap.

0 Because they are paying off a loan, their contribution to the DriverFund would be similar to the Single Operator contribution.

Master Medallions — toward the end of a driver's career

0 What are now Prop K and Pre K medallions would become part of a new category, to be called "Master Medallions." As the current Pre and Prop K medallions were returned, they would be reissued to drivers over a certain age, say 55-60 years old, and/or those with a minimum time in the industry and qualified partially disabled career drivers who could still fulfill a modified driving requirement. This would create a way for aging I medallions holders to continue in the industry while having a supplemental income by leasing of their medallion back to a

to be

advantaged by the skill and knowledge of the experienced driver without forcing the older driver to continue to drive beyond their capacity.