

SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY
SFMTA HEARING SECTION

**SAN FRANCISCO MUNICIPAL
TRANSPORTATION AGENCY,**

vs.

STATEMENT OF DECISION

RONALD WOLTER,
Respondent

I. INTRODUCTION

This case came on for administrative hearing pursuant to a Complaint by the San Francisco Municipal Transportation Agency (“SFMTA”) after the Complaint was sent to respondent Ronald Wolter on or about October 16, 2020. The SFMTA Complaint alleges that Mr. Wolter had not taken the necessary measures to renew his status as a qualified taxi medallion holder. The SFMTA’s Taxi Services Department had previously notified Mr. Wolter on or about September 28, 2020, that his Post-K medallion (#1252) was eligible to be revoked in accordance with the operation of relevant provisions of Article 1100 of the Transportation Code.

Following that September, 2021, notice and the subsequently issued Complaint, a video-conference hearing was scheduled for Mr. Wolter by this Hearing Section for November 30, 2021, under the provisions of Article 1120 of the SFMTA’s Transportation Code. TC Article 1100 governs the rights granted to taxi medallion holders in San Francisco, as well as how hearings related to those rights are administered.

On November 30, 2021, Mr. Wolter appeared via telephone at the time of this hearing. SFMTA Taxi and Accessibility manager Philip Cranna and analyst Danny Yeung, appeared by video, along with the undersigned administrative hearing officer, and at that time testimony from each of the parties was received into evidence.

II. APPLICABLE LAW

Under the provisions of Article 1100 of the Transportation Code, the following statutory authority forms the relevant basis for this decision, including the Transportation Code’s definitions of “A-Card,” “Medallion Holder,” “Notice of Nonrenewal,” and “Permit Holder.”

Also relevant to this case are these Article 1100 provisions:

- TC §1103(c)(2H)(2I), regarding the drug testing requirement;

- TC §1103(c)(3), regarding the lapse of active permit status;
- TC §1105(a)(1), regarding permits required;
- TC §1105(a)(3), regarding permits as privilege, not property of the driver;
- TC §1105(a)(6), involving compliance with laws and regulations;
- TC §1105(a)(3B), regarding the duration of permits;
- TC §1109(c)(1), regarding the full-time driving requirement;
- TC §1109(e)(1)(A), involving various aspects of medallion operation;
- TC §1116, covering surrender of medallions for consideration.

III. TESTIMONY

A. SFMTA Testimony and Evidence Presented: Philip Cranna and Danny Yeung:

Philip Cranna, an Enforcement and Legal Affairs Manager in the SFMTA’s Taxi Services, argued as to the origin and reliability of the information provided in the notice to Mr. Wolter dated September 28, 2020. In representing Taxi Services, Mr. Cranna confirmed that according to requirements of the applicable laws listed above, SFMTA is correct to seek the revocation of medallion #1252 for an expired A Card.

Danny Yeung, an administrative analyst in the SFMTA’s Taxi Services, testified to the origin and reliability of the exhibits offered by Taxi Services at the hearing. The exhibits included a driver profile of Mr. Wolter (Exh. A), the Taxi Service’s Notice of Nonrenewal (Exh. B), and the written statement of Ronald Wolter dated October 8, 2020, which requested a hearing (Exh. C). Mr. Yeung confirmed that the evidence of record established that Mr. Wolter’s A-Card had expired on or about April 1, 2017, and had not been renewed since that time.

B. Ronald Wolter, Respondent:

Mr. Wolter did not dispute that his A-Card has not been renewed since 2017. Mr. Wolter testified that he is currently a resident of Cedar City, Utah, and that it has not been feasible for him since 2017 for him to return to San Francisco, California, in an effort to obtain a California Drivers License and to renew his A Card. Mr. Wolter is currently able to drive, but is licensed only in Utah.

Mr. Wolter testified that his medallion (#1252) had been used for a number of years by the Green Cab Company, as a basis for other taxi drivers to drive legally within San Francisco, pursuant to the provisions of the Transportation Code that authorizes the lease of a driver’s medallion to a cab company. However, with the introduction of the transportation network companies (TNC), such as Uber and Lyft, in San Francisco, the lease-related taxi income he had been receiving ended. He understands that at the current time, his medallion no longer has any monetary value, and that no driver would be interested in purchasing his or any other driver’s medallion due to the currently established medallion pricing which remains unreasonable.

Essentially, Mr. Wolter maintains that at some point in the local taxi industry, a residual monetary value will be established for the transfer of medallions in San Francisco, and that that would mean that his medallion #1252 would have a residual market value which would prove to be a source of retirement income for him—but only if he was allowed to hold onto his medallion until that eventuality occurred.

IV. FINDINGS

1. Respondent Wolter Lacks Current A-Card

Based upon the testimony adduced at the hearing and upon the evidence of record, I find that respondent Wolter, whose A-Card expired in April, 2017, has been unwilling or unable to renew his A-Card due to his relocation in Cedar City, Utah. He testified that at some point in the future, he might return to San Francisco for the purpose of renewing his A Card. He does appear to be physically capable of resuming taxi driving if he did return, but he does not have any current plans to do so. He is hoping that the outcome of this hearing would be to allow him to retain his taxi medallion indefinitely, or until such time as the medallion market improves in San Francisco to allow medallion transfers.

Respondent Wolter, by his own admission, is not intending to return to San Francisco to renew his A Card. And his A Card cannot be renewed *in absentia* pursuant to the provisions of TC §§1103 and 1105, while he continues to live in Utah. Under the prevailing provisions of the Transportation Code, without an A-Card a taxi driver cannot retain their medallion here in San Francisco. On that basis the nonrenewal of this medallion appears to be only possible result here under the circumstances, and based upon the requirements of the applicable Transportation Code provisions.

2. Equitable Circumstances Relating to Decision

While respondent Wolter hopes to recover some intrinsic financial value to his medallion upon its retention and then its surrender to the SFMTA, there has been no market for medallions in San Francisco, largely due to the influx of TNC operations. And at the present time, there is no indication that the surrender and transferring of medallions will dramatically change in the near future. At some point, however, the SFMTA will establish a market-rate for the transfer of medallions, and those drivers who have medallions to surrender at that time will, in all probability, enjoy some financial recovery—as long as the medallion system is preserved.

While the SFMTA or its Board of Directors may determine the surrender price of medallions, the SFMTA or the MTAB could decide to end the surrender program under the provisions of TC §1116(a)(5)—but neither has happened.

As against the future expectation interest in the surrender of a driver's medallion, it is evident that the SFMTA has an interest in reclaiming medallions that are no longer being actively used.

On the basis of the existing uncertainty in a future surrender value for medallion holders, and the likelihood that eventually a monetary surrender value will develop for those taxi drivers who

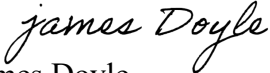
have held on to their medallions, the undersigned would have preferred to defer the revocation of this and other medallions—if there were provisions in section 1120 of the Transportation Code that authorized this kind of delay for specific reasons, such as in the interests of justice.

But inasmuch as the legal authority that governs our hearings under the Transportation Code does not provide the undersigned with any variance in the application of the law in this particular regard, the undersigned has no other recourse than to follow the express provisions of the Transportation Code, as noted above, despite any equitable considerations and circumstances as have been outlined herein.

V. ORDER

By reason of the Findings stated above, the Taxi Service’s Notice of Nonrenewal in this matter is upheld, and medallion #1252 may now be revoked by the explicit operation of the relevant provisions of the Transportation Code.

Dated this 3d day of December, 2021


James Doyle
Neutral Hearing Officer
SFMTA Hearing Section

RIGHT OF REVIEW

Under the provisions of the San Francisco Transportation Code, a decision of a hearing officer is a final administrative decision. Any party or entity adversely affected by this decision may seek review of the decision by filing an Appeal in accordance with the provisions and the 15-day timeline set forth in the rules provided by the San Francisco Board of Appeals.