

**THIS PRINT COVERS CALENDAR ITEM NO. : 10.7**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Taxis and Accessible Services

**BRIEF DESCRIPTION:**

Requesting the Board of Directors to authorize the Director of Transportation to waive new taxi driver permit application fees until, in the judgment of the Director of Transportation, the supply of drivers is adequate to fill available taxi shifts, and to retroactively approve the waiver of new driver permit application fees from April 1, 2014 through April 15, 2014.

**SUMMARY:**

- All taxi companies are reporting a shortage of taxi drivers in San Francisco.
- The shortage of drivers is due in part to aggressive recruitment of taxi drivers by other for-hire transportation services, especially Transportation Network Companies (TNCs).
- The shortage of drivers is also due to the addition of 120 new medallions in 2013 and 200 new medallions in 2014, with each new taxi requiring four or five drivers to keep the shifts filled.
- The shortage of taxi drivers means that available taxi vehicles are not providing transportation service.
- The Board previously authorized the Director of Transportation to waive new driver application fees through April 1, 2014; however the driver shortage has not been alleviated as of April 1.
- New driver application fees are increasing as of July 1, 2014 to cover costs of new driver drug and alcohol testing.
- Staff requests authorization to waive the new driver permit application fee (fee is \$155.50 through June 30, 2014 and \$252 beginning July 1, 2014), and to continue the waiver until, in the judgment of the Director of Transportation, the supply of drivers is adequate to fill available taxi shifts.

**ENCLOSURES:**

1. SFMTAB Resolution

**APPROVALS:**

**DATE**

**DIRECTOR** \_\_\_\_\_

4/7/14

**SECRETARY** \_\_\_\_\_

4/7/14

**ASSIGNED SFMTAB CALENDAR DATE:** April 15, 2014

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### **PURPOSE**

Requesting the Board of Directors to authorize the Director of Transportation to waive new taxi driver permit application fees until, in the judgment of the Director of Transportation, the supply of drivers is adequate to fill available taxi shifts, and to retroactively approve the waiver of new driver permit application fees from April 1, 2014 through April 15, 2014.

### **GOAL**

1. Create a safer transportation experience for everyone.  
Objective 1.3: Improve the safety of the transportation system.
2. Make transit, walking, bicycling, taxi, ridesharing, and carsharing the preferred means of travel.  
Objective 2.1: Improve customer service and communications.  
Objective 2.3: Increase use of all non-private auto modes.
3. Improve the environment and quality of life in San Francisco.  
Objective 3.2: Increase the transportation system's positive impact to the economy.  
Objective 3.4: Deliver services efficiently.
4. Create a workplace that delivers outstanding service.  
Objective 4.4: Improve relationships and partnerships with our stakeholders.

### **DESCRIPTION**

All taxi companies are reporting a shortage of taxi drivers in San Francisco. This shortage of drivers is due in part to recruitment of taxi drivers by other for-hire transportation services, especially Transportation Network Companies (TNCs). The shortage of drivers is also due to the addition of 120 new medallions in 2013, and an additional 200 medallions in 2014, with each new medallion requiring four or five drivers to keep the shifts filled. So far, nearly 100 of the medallions to be issued in 2014 have already been assigned to new medallion holders.

The shortage of taxi drivers means that vehicles that are available to operate as taxicabs are not placed into service to provide transportation because there is no one to drive them. This has also resulted in substantial financial losses to taxi companies, which has public safety and service implications. For example, there are many new medallion holders who do not yet have vehicles assigned to their medallions and will not have vehicles for months because the companies have fewer financial resources to acquire taxi vehicles. Companies that might have purchased new vehicles may elect to purchase lesser quality used vehicles. There is also a risk that companies will not have adequate resources to maintain taxi vehicles properly. In addition, many wheelchair accessible vehicles are not in service. Twenty five percent of our wheelchair accessible taxi fleet is not being operated at all, and the ones that are being operated by companies are frequently idle for lack of drivers. The SFMTA has implemented a program to incentivize more drivers to drive wheelchair

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accessible vehicles, including subsidizing the costs of getting certified as a ramp taxi driver.

Staff requests authorization to waive the new driver permit application fee in order to attract new taxi drivers. The amount of the waiver would be \$155.50 through June 30, 2014. When the new fiscal year begins on July 1, the fee is scheduled to be increased to \$252 to cover the cost of drug and alcohol testing for new drivers.

At its meeting of January 7, 2014, the Board authorized the Director of Transportation to waive new driver application fees between December 18, 2013 and March 31, 2014. It was expected that this would be an adequate period to increase the numbers of taxi drivers. That fee waiver has coincided with an approximately 30 percent increase in new taxi driver applicants in January, February and March as compared to August-December 2013.

New taxi driver permit applicants will still have to pay for private taxi school and the cost of their LiveScan criminal background check and 10-year DMV history.

**ALTERNATIVES CONSIDERED**

If the new driver application fee is not waived then it is likely that we will not be able to recruit an adequate number of new drivers in time to prevent substantial economic harm to taxi companies, which will have an adverse impact on public safety because of deferred vehicle maintenance. In addition, the financial impacts will reduce the number of taxi vehicles in service because of the lack of financing available to acquire taxi vehicles for new medallions, and the quality of taxi vehicles put into service is likely to go down as companies opt for cheaper vehicles.

**FUNDING IMPACT**

The waiver of new taxi driver permit fees is anticipated to result in collecting approximately \$9,000 less per month during the current fiscal year, and approximately \$15,000 per month less in permit fees during the fiscal year 2014-2015.

**OTHER APPROVALS RECEIVED OR STILL REQUIRED**

None.

**RECOMMENDATION**

That the Board of Directors authorize the Director of Transportation to waive new taxi driver permit application fees until, in the judgment of the Director of Transportation, the supply of drivers is adequate to fill available taxi shifts, and to retroactively approve the waiver of new driver permit application fees from April 1, 2014 through April 15, 2014.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, All taxi companies are reporting a shortage of taxi drivers in San Francisco; and,

WHEREAS, The shortage of drivers is due in part to recruitment by other for-hire transportation services and in part to the addition of 120 new medallions in 2013 and 200 new medallions in 2014; and,

WHEREAS, Staff requests authorization and retroactive approval of the waiver of the \$155.50 new driver permit application fee in fiscal year from April 1 through April 15; and,

WHEREAS, The shortage of taxi drivers means that available taxi vehicles are not providing transportation service; and,

WHEREAS, The Board previously authorized the Director of Transportation to waive new driver application fees through April 1, 2014; however the driver shortage has not been alleviated as of April 1; and,

WHEREAS, New driver application fees are increasing as of July 1, 2014 to cover costs of new driver drug and alcohol testing; and,

WHEREAS, Staff requests authorization to waive new driver permit application fee of \$155.50 through June 30, 2014, and \$252 beginning on July 1, 2014; now therefore be it

RESOLVED, That the Board of Directors authorizes the Director of Transportation to waive the new taxi driver permit application fees until, in the judgment of the Director of Transportation, the supply of drivers is adequate to fill available taxi shifts, and be it further

RESOLVED, That the Board of Directors retroactively approves the waiver of new driver permit application fees from April 1, 2014 through April 15, 2014.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of April 15, 2014.

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Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency