



**TO:** SF Taxi Industry

**FROM:** Kate Toran *Kate Toran*  
Director of Taxis and Accessible Services Division

**DATE:** September 10, 2015

**SUBJECT:** Single Operator Permit Program Status

This letter is to inform you of the status of the Single Operator Permit Program.

**Background:**

The Single Operator Permit (SOP or “S”) Medallion Program was established August 2011 with the issuance of 50 new part-time Single Operator Permits. It was established as a pilot program, intended to be limited in terms so that the program could be re-evaluated, cancelled if not successful, or adjusted to address lessons learned.

**Legislative Summary:**

The first 50 single operator permits were authorized by the SFMTA Board at its meeting of August 21, 2012. These permits were required to be operated at least 40, but not more than 90 hours per week. The intention was to serve “peak time” demand for taxis without creating excess taxi capacity during slow times.

At the April 16, 2013 meeting, the SFMTA Board authorized 120 new taxi permits, to be issued in 2013 and 200 new taxi permits to be issued in 2014. Of the 120 new permits authorized for 2013, 20 were designated as additional Single Operator Permits by the Director of Transportation and were issued in 2013.

Of the 200 new taxi permits authorized by the Board for 2014, 30 were designated as additional Single Operator Permits by the Director of Transportation and issued in 2014.

In May/June 2014 Yellow and Luxor surrendered 40 8000 series permits. The Director of Transportation re-purposed these 40 permits as Single Operator Permits, and 36 were issued.

**Original Goals:**

- SOP issued based on seniority and merit
- Considered to be peak medallions

- SOP not allowed to deadhead to SFO
- Knowledge test
- Three-year term
- SOP will be an additional resource to meet demand
- 100 authorized by MTAB as newly issued permits and 40 re-purposed from returned 8000 series medallions
- Provide a benefit to drivers who never put their name on the medallion waiting list and therefore had no chance of purchasing a medallion

**Current Status:**

- Currently 132 “S” permit holders
- No new permits issued since October 2014
- No knowledge test was given
- Not strictly distributed in A-Card Seniority
- “S” permit holders do not pay medallion renewal fees
- “S” permit holders are allowed to deadhead to SFO
- Although there is a 90 hour weekly maximum, analyzing a random three-week sample of SOP activity during summer 2015 indicates that 86% operate more than 90 hours per week
- Color schemes report 20%-30% of total shifts unfilled
- All A-Card holders now have an opportunity to purchase a medallion

The taxi business has changed dramatically since the “S” Medallion Program was established. In 2011 there was a strong “peak time” demand and a surplus of A-Card drivers looking for medallions to drive. With development of the TNC services, the peak time demand has weakened, and what was once a surplus of A-Card drivers has now become a shortage.

I have reviewed the program and vetted options with the Taxi Industry.

**Options:**

1. Discontinue the program within a 60 – 90 day timeframe, now that all SOP holders are eligible to purchase a medallion.
2. Allow the program to continue until the end of the SOP Use Agreement four-year term, but do not renew the Agreements for an additional term, effectively phasing out the program. 42 expire in 2016, 24 expire in 2017 and 66 expire in 2018.
3. Allow the SOP program to continue for another four-year term.

**Outreach:**

The SOP Program was discussed at the Taxi Town Hall on March 24, 2015 and at outreach at SFO on April 10, 2015.

**Determination:**

After considerable review and analysis, I have determined to phase out the Single Operator Permit Program. SFMTA will not enter into any new SOP Use Agreements. Each currently operating "S" Medallion will be allowed to operate until the end of the four-year term, based on compliance with the Use Agreement terms.

The Single Operator Permits were established as an experimental program with a limited term to allow for program evaluation and the ability to discontinue the program if it was determined that the program was not meeting its stated goals. The SOP Medallions are not being operated as they were initially intended, and the program has outlived its usefulness as a mechanism to bring additional resources to meet demand. There is currently a shortage of drivers, and there is not the same need to provide peak time service. In fact, taxi companies report that 20%-30% of all shifts are going unfilled. And with the posting of the A-Card seniority list and mailing of the letter of interest to all those on the list, all SOP holders have been offered the chance to purchase a medallion. The past policy goal of offering this benefit to drivers who have no chance to purchase a medallion is no longer valid.

Discontinuing the SOP Program after the four-year term will allow those with use agreements to operate "S" Medallions to finish out the term of the current agreement.

If you have any questions, please call Paige Standfield at 415.701.4400.