




MEMORANDUM

DATE: October 23, 2020

TO: SFMTA Board of Directors
Gwyneth Borden, Chair
Amanda Eaken, Vice Chair
Cheryl Brinkman, Director
Steve Heminger, Director
Sharon Lai, Director

THROUGH: Jeffrey Tumlin 
Director of Transportation

FROM: Kate Toran 
Director of Taxis and Accessible Services

SUBJECT: Updated Taxi Medallion Pick-Up Rules at San Francisco International Airport

Introduction

On October 16, 2018, the San Francisco Municipal Transportation Agency (SFMTA) Board delegated authority to the Director of Transportation to limit which types of taxi medallions can pick up at San Francisco International Airport (SFO). Pursuant to the authority delegated to him, on December 27, 2018, the Director of Transportation issued a [memorandum](#) to the taxi industry outlining the implementation of changes to taxi access to SFO. The new rules went into effect on February 1, 2019, and since that time, staff has provided [quarterly reports](#) to the SFMTA Board tracking the progress in meeting the stated policy goals.

The original proposal for the SFO rules was to prohibit all medallion types except Purchased medallions from picking up at SFO. Based on industry feedback, a compromise solution was developed to prioritize Purchased medallion holders while still allowing for Post-K medallions to pick-up at SFO.

Under Phase 1 of the SFO rules, Purchased medallions have expedited pick-up access at SFO, Post-K medallions have standard access and Corporate, Pre-K and 8000-series medallions are prohibited from picking up at SFO (see Table 1 on page 2 for medallion definitions). All wheelchair accessible ramp taxis have expedited access to SFO and as an incentive, have the opportunity to earn access to the short line based on the number of wheelchair trips provided.


SFMTA

Medallion Type	Count as of 10/20/20
<p>Corporate: Prior to Prop-K (1978), medallions could be owned by a corporation and were freely transferable. Corporations can hold more than one medallion and there is no driving requirement. The corporation cannot change ownership by more than ten percent or the medallion will revert to the City. Currently, these medallions cannot be transferred or surrendered for consideration.</p>	<p>23</p>
<p>Pre-K: Prior to Prop-K (1978), medallions could be held by anyone and could be held by more than one person and were freely transferable. Individuals can hold more than one medallion and there is no driving requirement. Currently, these medallions cannot be transferred or surrendered for consideration.</p>	<p>136</p>
<p>Post-K Earned: These medallions were issued after 1978 at no cost to taxi drivers based on the waiting list. They are limited to one per taxi driver and can only be held by an individual. There is a driving requirement and these medallions can be surrendered for consideration if the medallion holder is at least 60 years old or has a permanent disability, and if there is a buyer. These medallions are not transferable.</p>	<p>537</p>
<p>Purchased: These medallions were Purchased under the Medallion Sales Pilot Program that started 2010 and the Medallion Transfer Program that replaced the Medallion Sales Pilot Program in 2012. Any individual who Purchased a medallion under either program may retransfer their Purchased permit for sale, with no restriction on age or disability, if there is a buyer.</p>	<p>478</p>
<p>Ramp Taxis: These medallions operate in wheelchair accessible ramp vehicles. Some medallions are operated by drivers and some are leased to color schemes. Ramp Medallions cannot be transferred or surrendered for consideration.</p>	<p>40</p>
<p>8000-Series: These medallions are leased by SFMTA to the taxi companies for a monthly use fee. These medallions cannot be transferred or surrendered for consideration.</p>	<p>0</p>
<p>Total</p>	<p>1,214</p>

The three policy goals of the taxi pick-up rules at SFO are:

1. Support Purchased Medallions: Purchased medallion holders have invested the most in the taxi industry (\$250,000 per medallion), yet earn the least, as detailed in the [PFM/Schaller Taxi Industry Report](#). Additionally, due to loan foreclosures, Purchased medallions have experienced rapid attrition; there have been over 200 foreclosures to date.
2. Bring taxi supply to San Francisco: SFO has the holding capacity for 476 taxis and prior to the Covid-19 pandemic, was typically at 80% capacity for most of the day. Prior to implementation of the new rules, drivers would wait two hours on average for one fare and up to three hours during low demand periods. This practice pulled more than a third of the taxi supply off the streets of San Francisco.
3. Increase wheelchair accessible ramp taxi pick-ups for paratransit customers and general public wheelchair users: Wheelchair accessible ramp taxi trips are the hardest to serve and most expensive (the vehicles cost more to purchase and operate) and have experienced the biggest decline in volume after the advent of TNCs.

To measure the effectiveness of the new SFO rules in achieving SFMTA's policy goals, specific metrics were established.

Overall, during the first year of implementation of the new pick-up rules at SFO, the metrics have generally been achieved and the rule changes at SFO have had the intended positive effects. By limiting the classes of medallions that can access the Airport, Purchased medallions have experienced reduced wait times in the SFO pick-up lot by an average of 12% over the past year (equivalent to saving each driver about 12 minutes per airport trip, thus allowing them to provide more trips per shift), and an increase in SFO trips overall and corresponding fare revenues. Congestion at SFO has been reduced, and ramp taxi incentives have resulted in a 37% increase in wheelchair trips for paratransit customers, and overall ramp taxi trips (including general public wheelchair trips) have substantially increased by 64% with the additional incentives offered.

One of the metrics - *increase taxi supply within San Francisco proper* - has not been met at any point during the first year of the implementation of the new SFO rules. Reversing this long-standing trend remains a challenge and has been severely impacted by the Covid-19 pandemic.

Table 1: Summary of Metric Results

Metric Results	Q1	Q2	Q3	Q4	12-month
Metric 1: Goal of 10% reduction in wait times at SFO for Purchased medallions.	-27%	-7%	-14%	-17%	-12%
Metric 2: Goal of 10% increase in trips for Purchased medallions originating at SFO	+136%	+59%	+50%	+54%	+69%
Metric 3: Goal of 10% increase in average monthly fare revenue for Purchased medallion holders.	+41%	+13%	+32%	+33%	+28%
Metric 4: Goal of 5% increase in number of taxi trips originating in San Francisco proper.	-16%	-27%	-34%	-27%	-27%
Metric 5: Goal of 10% increase in wheelchair accessible ramp taxi pick-ups, paratransit users (including general public)	+20% (+38%)	+40% (+59%)	+26% (+63%)	+44% (71%)	+37% (64%)
Metrics Met	4/5	3/5	4/5	4/5	4/5

Current Conditions

Air travel has been severely impacted due to the Covid-19 pandemic, and taxi trips from SFO have decreased approximately 95% on average. Drivers now wait an average of 4 hours 19 minutes, with P-medallion taxis waiting 53 minutes less time on average (October 2020 sample data).

Overall taxi trips have decreased on average approximately 80%, and while the SFMTA has provided significant support to the taxi industry, the impacts of Covid-19 on daily life around the world, across the nation and locally remain devastating. While the SFMTA is working to help position taxis to rebound in the post-Covid-19 environment, the timing to get past this pandemic remains uncertain.

Since the emergency was declared in San Francisco in February 2020, there have been 49 foreclosures of Purchased medallions through October 20. While SFMTA requested the San Francisco Federal Credit Union (SFFCU) to continue the loan forbearance program it established beyond the original two-month period (April-May), it has declined to do so.



Revised Pick-Up Rules

In order to provide additional support to purchased medallion holders, I have recommended to the Director Tumlin that the rules be revised to only allow Purchased medallions and ramp taxis to pick up passengers at SFO. This recommendation is aligned with the original staff proposal to prohibit all medallion types except Purchased medallions from picking up at SFO, but still allows the compromise of allowing access for wheelchair accessible ramp taxis. Staff will continue to evaluate the [ramp taxi incentive program](#) and may update the program at any time.

By forwarding this memo to the SFMTA Board, Director Tumlin concurs with this recommendation.

Pursuant to Division II of the Transportation Code, Article 1100, Section 1109(e)(2): **Access to San Francisco International Airport.**

The Director of Transportation may impose restrictions on the types of Medallions authorized to operate a taxicab trip originating at the San Francisco International Airport for the purpose of alleviating congestion. The Director shall notify the Board of Directors immediately upon imposing such restrictions.

This memo serves as notification that the SFO pick-up rules have been amended as follows:

Starting December 1, 2020, only Purchased medallions and ramp taxi medallions are authorized to operate a taxicab trip originating at SFO.