

1 [Urging Removal of Third-Party Dispatch from the Taxi Upfront Fare Pilot]

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3 **Resolution urging the San Francisco Municipal Transportation Agency (SFMTA) Board**
4 **of Directors to remove Third Party Dispatch from its Taxi Upfront Fare Pilot Program.**

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6 WHEREAS, On September 7, 2021, the San Francisco Municipal Transportation
7 Agency Board (MTAB) authorized the Director of Transportation to create a Taxi Upfront Fare
8 Pilot Program and authorized the department to develop a concept to provide taxi customers
9 with a flat rate fare estimate; and

10 WHEREAS, On April 5, 2022, the SFMTA Board approved the Taxi Upfront Fare Pilot
11 Program that effectively allows third parties, including Transportation Network Companies
12 (TNCs) to route ride requests directly to taxi drivers; and

13 WHEREAS, Since TNCs first appeared in San Francisco, they have sought to
14 undermine public transit including locally-regulated taxis, and as a result, public transit and
15 taxi drivers have struggled to compete; and

16 WHEREAS, For over a decade, government agencies and leaders across California
17 and the nation have attempted to regulate TNCs, who routinely violate data-sharing mandates
18 and refuse to coordinate with transportation agencies and city government; and

19 WHEREAS, To mitigate the negative impact TNCs had on traffic congestion, San
20 Francisco voters passed the Ride-Share Business Tax, Proposition D (2019), with over 67%
21 of the vote, and imposed a tax on TNCs for fares in San Francisco to fund the Traffic
22 Congestion Mitigation Fund; and

23 WHEREAS, On June 30, 2022, the San Francisco Planning Department staff issued its
24 study highlighting the impacts of TNCs on San Francisco, which concluded that the operation
25 of TNCs significantly increases vehicle trips and congestion in the City; and

1 WHEREAS, The Planning Department study also concluded that TNCs shift people
2 away from more sustainable modes of transportation including walking, bicycling, public
3 transportation, and San Francisco is not fully prepared for existing and emerging
4 transportation services like TNCs; and

5 WHEREAS, Taxis are public transit pursuant to the Transit-First Policy in Section
6 8A.115 of the San Francisco Charter; and

7 WHEREAS, The third-party dispatch system would give TNCs the unfair advantage to
8 continue to drive customers away from regulated taxis, and further give TNCs permission to
9 deviate from publicly regulated and transparent meter fares for taxis booked through third-
10 party applications; and

11 WHEREAS, SFMTA's taxi meter rate setting process is a transparent, public process
12 that leads to more predictable, stable meter rates that are often significantly more affordable
13 to customers on average than those offered by TNCs; and

14 WHEREAS, SFMTA's Taxi Upfront Fare Pilot Program relinquishes SFMTA's charter-
15 mandated authority to regulate taxi meter fares for all cab rides booked through third-party
16 dispatch systems to TNCs, in particular to Uber and as a result could create a monopoly; and

17 WHEREAS, This pilot program abdicates SFMTA's exclusive authority over taxi-related
18 fares for rides originating with third party entities; and

19 WHEREAS, The San Francisco Charter grants the SFMTA "the same exclusive
20 authority over taxi-related functions and taxi-related fares, fees, charges, budgets, and
21 personnel that it has over the Municipal Railway"; and

22 WHEREAS, Upfront fares originating with third-party entities are not required to be
23 based on taxi meter rates, but instead TNCs are allowed to set fares which significantly
24 deviates from the taxi meter rate, with Uber's average rate being approximately 80 to 85
25 percent of taxi meter rates; and

1 WHEREAS, The third-party dispatch system permits TNCs to charge taxi drivers an
2 unregulated fee per ride that is not publicly available information, and will release TNCs from
3 responsibility for the costs of vehicle operations; and

4 WHEREAS, Regular taxi customers who do not have access to smartphones and/or do
5 not have the TNC smartphone applications will now be in direct competition for taxi service
6 with people who do have smartphones and TNC apps; and

7 WHEREAS, There is no provision in the third-party program for the protection of riders
8 who rely on paratransit taxi service, making it more difficult for individuals with disabilities to
9 utilize this service; and

10 WHEREAS, The San Francisco Taxi Workers Alliance (TWA), with over 500 registered
11 taxi driving members, in conjunction with other stakeholder organizations, urged the MTAB to
12 vote in opposition to the pilot; and

13 WHEREAS, The pilot program was not vetted by members of the general public who
14 rely on taxi service or have concerns regarding the impacts of TNCs, including the Mayor’s
15 Disability Council, the Commission on the Environment, and the SFMTA’s Citizens Advisory
16 Council (CAC), prior to the MTAB’s authorization of third-party dispatch; and

17 WHEREAS, On July 7, 2022, the SFMTA’s Citizens Advisory Committee (CAC) voted
18 to urge the SFMTA to remove third party dispatch from its pilot program; and

19 WHEREAS, Third party dispatch systems are not an essential component of the Taxi
20 Upfront Fare Pilot Program; now, therefore, be it

21 RESOLVED, That the City and County of San Francisco Board of Supervisors urges
22 the San Francisco Municipal Transportation Agency Board of Directors to remove third party
23 dispatch from its pilot program; and, be it

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1 FURTHER RESOLVED, That the Board of Supervisors of City and County of San
2 Francisco hereby directs the Clerk of the Board to transmit a copy of this Resolution to the
3 San Francisco Municipal Transportation Agency Board of Directors.

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