

BOARD of SUPERVISORS



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MEMORANDUM

TO: Jeffrey Tumlin, Executive Director, Municipal Transportation Agency
Rich Hillis, Director, Planning Department
Nicole Bohn, Director, Mayor's Office of Disability
Tyrone Jue, Interim Director, Department of the Environment
Kyle Wehner, Commission Affairs Officer, Commission on the Environment

FROM: Alisa Somera, Assistant Clerk, Government Audit and Oversight Committee, Board of Supervisors

DATE: July 29, 2022

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Connie Chan on July 26, 2022:

File No. 220886

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

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: Alisa.Somera@sfgov.org.

cc: Kate Breen, Municipal Transportation Agency
Janet Martinsen, Municipal Transportation Agency
Joel Ramos, Municipal Transportation Agency
Tina Tam, Planning Department
Corey Teague, Planning Department
Lisa Gibson, Planning Department
Devyani Jain, Planning Department
AnMarie Rodgers, Planning Department
Dan Sider, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Planning Department
Peter Brastow, Department of the Environment
Charles Sheehan, Department of the Environment

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 Transportation Network Companies (TNCs) to route their ride
12 requests directly to taxi drivers; and

13 WHEREAS, Since TNCs first appeared in San Francisco, they have sought to
14 undermine public transit and taxi service, and as a result, public transit and taxi drivers have
15 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, The third-party dispatch system would give TNCs the unfair advantage to
6 continue to drive customers away from regulated taxis, and further give TNCs the ability to
7 eliminate publicly regulated and transparent meter fares for taxis booked through third-party
8 applications; and

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

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

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

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

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

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1 WHEREAS, The third-party dispatch system permits TNCs to charge a fee per ride that
2 is not publicly available information, and will release TNCs from being accountable for vehicle
3 maintenance and vehicle insurance for their drivers; and

4 WHEREAS, Regular taxi customers who do not have access to smart phones and/or
5 do not have the TNC smart phone applications will now be in direct competition for taxi
6 service with people who do have smart phones 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 with 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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Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Topic submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Chan

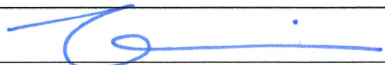
Subject:

Urging Removal of Third Party Dispatch from the Taxi Upfront Fare Pilot

The text is listed:

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

Signature of Sponsoring Supervisor:



For Clerk's Use Only