

FILE NO. 220886

RESOLUTION NO.

1 [Urging Program Metrics for the Taxi Upfront Fare Pilot]

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3 **Resolution urging the San Francisco Municipal Transportation Agency (SFMTA) Board**
4 **of Directors to track additional data and develop additional program metrics for its Taxi**
5 **Upfront Fare Pilot program and continue to submit a quarterly report to the Board of**
6 **Supervisors to ensure improved outcomes and benefits for taxi drivers.**

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

12 WHEREAS, On April 5, 2022, the MTAB approved the Taxi Upfront Fare Pilot program
13 that effectively allows third parties, including Transportation Network Companies (TNCs) to
14 route their ride requests directly to taxi drivers; and

15 WHEREAS, On September 19, 2023, the MTAB extended the Taxi Upfront Fare Pilot
16 program term through to June 30, 2025; and

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

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

23 WHEREAS, To mitigate the negative impact TNCs had on traffic congestion, San
24 Francisco voters passed the Ride-Share Business Tax, Proposition D (2019), with over 67

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1 percent of the vote, and imposed a tax on TNCs for fares in San Francisco to fund the Traffic
2 Congestion Mitigation Fund; and

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

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

10 WHEREAS, Taxis are public transit pursuant to the Transit-First Policy in Section
11 8A.115 of the San Francisco Charter, and over 90 percent of the taxi fleet operates low
12 emission vehicles; and

13 WHEREAS, The third-party dispatch system allows TNC customers to access
14 regulated taxis; and

15 WHEREAS, The MTAB's taxi meter rate setting process is a transparent, public
16 process that leads to more predictable, stable meter rates that are often significantly more
17 affordable to customers on average than those offered by TNCs; and

18 WHEREAS, Continuing a failed pilot program could lead to a monopoly in the taxi
19 industry; and

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

23 WHEREAS, Upfront fares originating with third-party entities are not required to be
24 based on taxi meter rates, but instead TNCs are allowed to set fares which significantly
25 deviate from the taxi meter rate; and

1 WHEREAS, The third-party dispatch system permits TNCs to charge taxi drivers an
2 unregulated fee per ride that is reported to the SFMTA as a weighted monthly average, and
3 will release TNCs from responsibility for the costs of vehicle operations; and

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

7 WHEREAS, The SFMTA is tracking paratransit taxi service to understand the impact, if
8 any, of third-party pilot trips on paratransit taxi customers; and

9 WHEREAS, The San Francisco Taxi Workers Alliance (TWA), with over 500 registered
10 taxi driving members, was not consulted in development of the third-party dispatch aspect of
11 the pilot program and, in conjunction with other stakeholder organizations, urged the MTAB to
12 vote in opposition to the Taxi Upfront Fare program; 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 Board of Supervisors of the City and County of San Francisco
22 urges the MTAB to develop additional metrics to assess the impacts, if any, of allowing third-
23 party dispatch trips in order to determine whether third-party trips are supplementing or
24 replacing street hail, dispatch, or e-taxi trips; and be it

1 FURTHER RESOLVED, That the MTAB is strongly urged to continue collecting data
2 quarterly on the total amount charged to third-party passengers, including fares and any other
3 related charges, and the total amount paid to taxi drivers for third-party trips and continue to
4 submit quarterly reports to the Board of Supervisors; and be it

5 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
6 Francisco urges the MTAB to support this pilot extension until June 30, 2025 on the condition
7 that the quarterly report shows at least a 10 percent or greater increase in revenue for taxi
8 drivers who participate in the third-party trips, and more transparency in passenger fares
9 versus driver incomes and the SFMTA staff continues regular engagement with stakeholders
10 for feedback; and, be it

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

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