



Memorandum to the Board of Directors

Taxi Upfront Fare Pilot – Year 2, First Quarter Report

To: SFMTA Board of Directors
Amanda Eaken, Chair
Stephanie Cajina, Vice Chair
Steve Heminger, Director
Dominica Henderson, Director
Fiona Hinze, Director
Janet Tarlov, Director

Through: Jeffrey Tumlin 
Director of Transportation

From: Kate Toran 
Director of Taxis, Access & Mobility Services

Date: July 24, 2024

Subject: Taxi Upfront Fare Pilot – Year 2, First Quarter Report

The San Francisco Municipal Transportation Agency (SFMTA) provides quarterly updates to the SFMTA Board, the Board of Supervisors, and other key stakeholders regarding the implementation of the Taxi Upfront Fare Pilot (Pilot). This is the first quarter report of the second year of the Pilot, covering December 2023 through February 2024 (Q1).

These [reports](#) summarize the Pilot and its policy goals and analyze program metrics and are designed to help SFMTA assess the impact of the Pilot, understand whether the Pilot is on track to meet key policy goals, and provide transparency to the public regarding key findings throughout the Pilot.

Program Overview

The Pilot allows taxi customers to book a ride through a Taxi E-Hail App (app) and pay the upfront fare in advance of the trip or book a trip through the app and pay the fare at the end of the trip. The Pilot also allows Taxi E-Hail App providers to dispatch trips that originate with third-party entities (i.e. entities that do not receive permits issued by the SFMTA), which may offer upfront fares that are not based on Taximeter rates.

The Upfront Fare Pilot allows two types of trips:

1. **Taxi Pilot Trips** have the following characteristics:
 - Originate with a customer requesting a ride through a Taxi E-Hail App
 - Driver is dispatched by a Taxi E-Hail App
 - Ride is provided by a permitted San Francisco taxi driver in a permitted San Francisco taxi vehicle
 - Upfront fare payment is based on the estimated Taximeter amount

2. **Third-Party Pilot Trips** have the following characteristics:
 - Originate with a customer requesting a ride through a third-party entity (Third-Party Provider)
 - Ride is transferred to a Taxi E-Hail App
 - Driver is dispatched by a Taxi E-Hail App
 - Ride is provided by a permitted San Francisco taxi driver in a permitted San Francisco taxi vehicle
 - Upfront fare is **not** required to be based on the estimated Taximeter amount

Flywheel Technologies is the only company providing Pilot trips and Uber is the only approved Third-Party entity for the first four quarters of the Pilot term. Yellow Cab is still working to achieve compliance with the data requirements and has not yet participated in the Pilot.

In September 2023, the SFMTA Board extended the Pilot term to June 30, 2025. The extended term of the Pilot provides more time for services to ramp up, for additional companies and drivers to participate in the Pilot, for staff to measure and analyze Pilot outcomes, and provides time to make any necessary adjustments that address Pilot-related concerns. Staff will be able to conduct year-over-year comparisons to evaluate any changes in the Pilot's effectiveness within the Pilot term. SFMTA staff prepared a [Taxi Upfront Fare Pilot Program Update memorandum](#), which amended the Pilot terms and revised certain metrics, program rules and requirements, and the application process during the extension period, December 1, 2023 through June 30, 2025.

Tracking the Pilot Term

Although the Pilot officially launched on November 9, 2022, the first quarter metrics analysis covered the first three full months of Pilot launch—December 2022 through February 2023—to create a comparable baseline between periods that allows for year-over-year comparisons of full months.

For year 1 of the Pilot, the quarterly reports cover the following periods:

- Quarter 1: December 2022 – February 2023
- Quarter 2: March 2023 – May 2023
- Quarter 3: June 2023 – August 2023
- Quarter 4: September 2023 – November 2023

For year 2 of the Pilot, quarterly reports will cover the following periods:

- Quarter 1: December 2023 – February 2024
- Quarter 2: March 2024 – May 2024
- Quarter 3: June 2024 – August 2024
- Quarter 4: September 2024 – November 2024

[Quarterly reports](#) for the Pilot program are available on the SFMTA website.

Summary of Key Takeaways 2023-Q1 to 2024-Q1

This section provides a high-level summary of key takeaways from the Pilot thus far. A more extensive analysis of each Pilot goal and associated metrics is provided later in this report.

A quick snapshot of key data points during the Pilot through Q1 of 2024 shows the following:

- A total of 223,058 Pilot trips were provided through Q1 of 2024, increasing over 492% from 2023-Q1 to 2024-Q1.

	2023-Q1	2023-Q2	2023-Q3	2023-Q4	2024-Q1
Pilot trips provided	10,857	41,639	57,068	49,204	64,290

- Pilot Trips are growing as a percentage of total taxi trips.

	2023-Q1	2023-Q2	2023-Q3	2023-Q4	2024-Q1
Pilot Trips as percentage of total taxi trips	2.1%	7.3%	10.2%	9.1%	13%

- Third-Party Trips are extending the density of taxi trips in outer neighborhoods in San Francisco that have historically been underserved by the taxi industry.
- The number of drivers participating in the Pilot continues to increase each quarter, growing by 54.3% from 2023-Q1 to 2024-Q1.

	2023-Q1	2023-Q2	2023-Q3	2023-Q4	2024-Q1
Drivers participating in Pilot	276	385	419	415	426

- Overall, a total of 586 unique drivers have participated in the pilot, providing at least 1 pilot trip.
- Drivers who service Third-Party Trips earned on average 38.1% more in fare revenue during 2024-Q1 than drivers who did not provide Pilot trips.
- Drivers who provided Third-Party Trips earned an average of \$2,069 per month from those trips alone in 2024-Q1, which represents an 89.3% increase from 2023-Q1 (\$1,093).
- The relative proportion of paratransit taxi trips to all taxi trips before and during the Pilot has remained consistent.

Methodology and Assumptions

The metrics discussed below are analyzed based on a set of methods and assumptions applied to the collection, validation, and analysis of taxi industry data.

The main source of the data in this report is the data reported by the taxi industry. As required by the Transportation Code, all taxi companies permitted to operate in the City and County of San Francisco transmit digital records of their fleet's activity to SFMTA in real time through the SFMTA Taxi Application Programming Interface (API), which is the software interface that allows the SFMTA to receive data securely from the taxi industry. Prior to launching the Pilot program, SFMTA updated its specifications for the Taxi API data by requiring the submission of the types of data necessary for tracking the Pilot's

performance, such as upfront or metered fare payment method and the trip application origin (Taxi E-Hail or Third-Party). For Third-Party Trips, the relevant data is transmitted to SFMTA on a bi-weekly basis by Flywheel, currently the only taxi company permitted to service the trips; the SFMTA does not receive any data directly from third-party entities.

As the SFMTA receives data from the industry, the Data Analytics team applies automated and manual validation procedures to check the quality of the data in each record received. The validation process has identified numerous data quality issues since the start of the Pilot, such as regular taxi trip records mislabeled as Taxi Pilot Trips and inaccurate meter fare estimations for Pilot trips. When an issue is identified through the validation process, the Data Analytics Team conducts an independent investigation and then collaborates with industry partners to identify a solution. SFMTA hosts regular technical troubleshooting sessions with each of the participating taxi companies individually to address data quality issues in a timely fashion. The data presented in this report has been vetted by the Data Analytics Team and is therefore reliable and accurate, to the best of our knowledge. However, since this is a new program that involves significant technical updates and challenges, the validation process is ongoing, and all industry data remains subject to future corrections and updates.¹

Based on the validated industry data, SFMTA tracks key metrics to measure the actual impact of the Pilot on the industry based on the goals of the program. To measure that impact, the metrics compare the data received since the start of the Pilot to historical data from before the Pilot began. The historical data has undergone similar validation and remains subject to future corrections and updates. The Data Analytics Team primarily uses year-over-year comparisons to account for strong seasonality in the taxi industry but relies on short-term baseline comparisons to a period immediately preceding the pilot if deficiencies in the long-term historical data make it necessary. For example, the taxi industry did not consistently report how a passenger requested a trip (i.e., hail type) prior to October 2022. Therefore, when analyzing hail type during the Pilot, due to historical deficiencies, October 2022 is used as the baseline period for comparison purposes.

The staff has also compared the 2024-Q1 data to previous quarters, understanding that seasonal differences between the quarters may impact results.

In addition, the SFMTA acknowledges that the impact of the Pilot on the industry may be confounded by other contextual factors such as the easing of COVID-era restrictions or other SFMTA efforts to benefit the industry like increasing the taxi meter rate. Staff take these factors into account and understand that there are likely multiple factors associated with the industry trends detailed below, in addition to the Pilot.

¹ This Q4 Pilot report reflects minor corrections made to the first year of data from the Pilot as part of on-going data quality review.

Pilot Goals and Metrics

Goals: Desired Outcomes

The SFMTA has established six main goals for the Pilot:

1. Improve taxi customer service by:
 - a. Offering upfront fare estimates and bookings through Taxi E-Hail apps
 - b. Relieving meter anxiety for customers by providing price certainty for taxi trips
 - c. Allowing customers to price shop for similar on-demand services
2. Increase taxi trips
3. Maintain a consistent level of service for traditional taxi trips, including Paratransit taxi trips
4. Increase the number of permitted taxi drivers offering service to the public
5. Ensure that Taxi Pilot Trip fares closely match the Taximeter rates

Metrics: Measuring Success

The SFMTA requires Pilot participants to submit several types of data, including Taxi Pilot Trips and Third-Party Pilot Trips, driver fare income, and other relevant datasets to help measure the success of the Pilot in meeting the stated goals. Staff may also use the data to identify potential areas for improvement, assess participant compliance, and to update program criteria and processes. Some metrics do not have a specific numeric target, but rather, describe the data that will be collected. Since the Pilot is novel, there may be multiple variables associated with an enumerated metric, highlighting the importance of identifying associations or trends within the Pilot and the data itself. The metrics have been slightly revised from the original policy memo establishing the Pilot as described below and may be further updated during the Pilot term, depending on staff assessment and key stakeholder feedback.

Goal 1: Improve customer service

Metric 1A: Track the total number of Pilot trips

The total number of Pilot trips is a proxy for customer satisfaction. Staff tracks the total number of Taxi Pilot Trips and Third-Party Pilot Trips. This metric has changed slightly from the policy memo that established the Pilot. Staff updated the original metric, "Increase E-Hail App Trips by 10%," because not all Taxi E-Hail App providers are participating in the Pilot and the intent of this metric is to track satisfaction with the Pilot. Therefore, the metric was updated to track the total number of Pilot trips, which provides a more targeted proxy measure of customer satisfaction. Based on feedback from the taxi industry, staff also reports the total number of Taxi E-Hail App trips, which has been added to Metric 3A.

Metric 1B: Complaints

The SFMTA tracks the number of complaints by taxi drivers and customers regarding Pilot trips. Staff also track the total number of complaints, comparing the number received prior to the Pilot's launch and the number received during the Pilot term.

Metric 1C: Geographic Distribution of Pilot trips

Analyzing the geographic distribution of Pilot trips was not initially an official Pilot metric, although the SFMTA tracked and reported on the geographic expansion of taxi service within the city as a measure of the Pilot's impact on customer service during 2023-Q3 and Q4. Specifically, the SFMTA created a heat map that displayed the geographic distribution of Third-Party Trips compared to non-Pilot taxi trips.

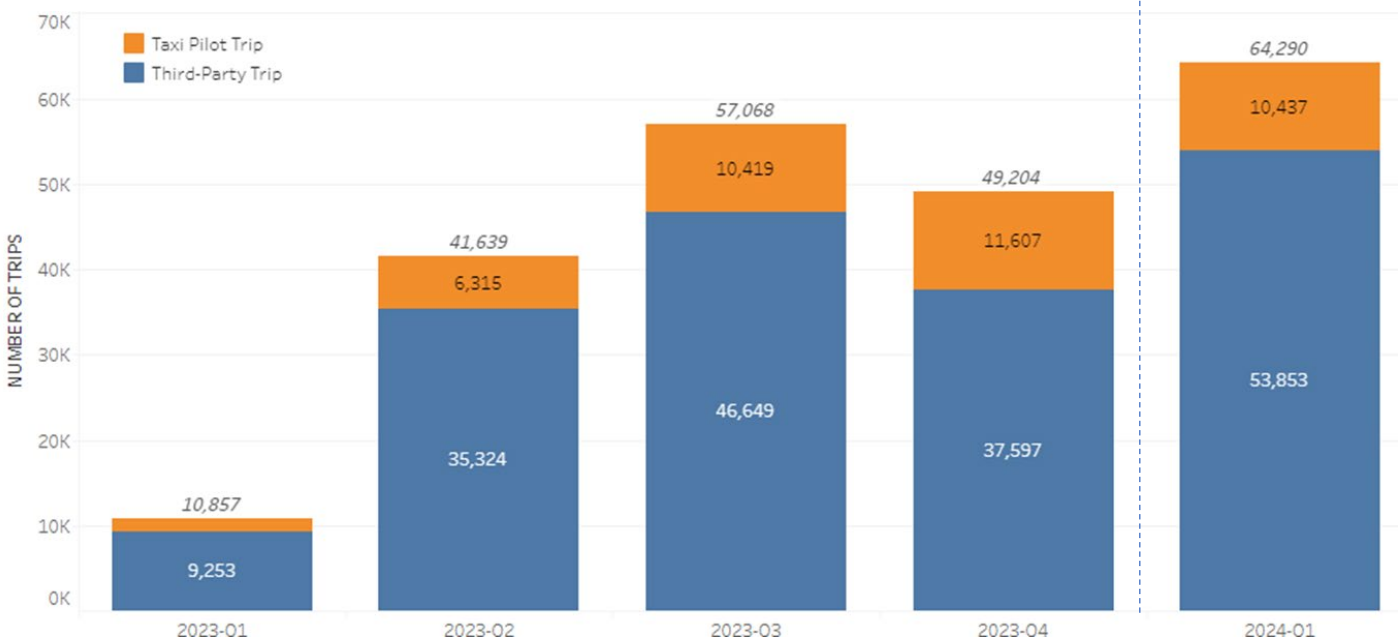
During year 2 of the Pilot, the SFMTA developed a numerical metric to measure and track the impact of the Pilot on the distribution of taxi pickup locations by comparing the geographic distribution for Third-Party Trips with non-Pilot taxi trips by hail type. In order to conduct this analysis, the SFMTA identified a Core Service Area and a Peripheral Service Area. The Core Service Area, where the majority of taxi pickups occur, covers downtown neighborhoods north of Folsom Street to Fisherman's Wharf, Western Addition, Hayes Valley, and the Mission. The Peripheral Service Area covers all other areas of the city. Staff measured and tracked taxi pickups in the Peripheral Service Area compared to pickups throughout San Francisco. While there is not a specific target for this metric, this comparison helps illustrate how the Pilot is affecting the geographic distribution of taxi trips.

2024 - Q1 RESULTS FOR GOAL 1

Metric 1A: Total Number of Pilot Trips

Altogether there were 64,290 total Pilot trips in 2024-Q1, 16.2% (10,437) of which were Taxi Pilot Trips and 83.8% (53,853) were Third-Party Trips. Total Pilot trips increased by 30.6% in 2024-Q1 compared to 2023-Q4 (49,204). Total Pilot trips in 2024-Q1 increased by 493% when compared to (10,857) in 2023-Q1. These comparisons are shown in Figure 1 below. There was a rebound for the overall Pilot Trips from 2023-Q4. The Third-Party Trips in 2024-Q1 increased 43.2% from the previous quarter, 2023-Q4 (37,597). There was a slight decrease in Taxi Pilot Trips from 11,607 to 10,437 representing a decrease of 11.2% from the prior quarter (2023-Q4). Staff will continue to monitor the changes in Pilot Trips as the Pilot continues to evaluate the impact that seasonality, tourism, and other time-based factors have on Pilot trips.

Figure 1: Total Pilot Trips 2023-Q1 to 2024-Q1



Metric 1B: Complaints

The SFMTA tracks the number of complaints by taxi drivers and customers regarding Pilot trips and the overall number of complaints to monitor potential impacts on service delivery. Staff pay particular attention to complaints about response times. Most complaints are filed through 311, but SFMTA staff also receive and investigate complaints that are filed through email, over the phone and in person at the Taxi Window at 1 South Van Ness.

As with other Pilot metrics, to account for potential impacts due to seasonality, SFMTA compared complaints during 2024-Q1 with the same period from the prior year, along with comparisons to

2023-Q1 – 2023-Q4. Additionally, to account for the difference in total taxi trips, staff analyzed complaints per 1,000 trips to provide a more accurate comparison.

Table 1: Taxi Complaints per 1,000 Trips

	December - February			March - May			June - August		September -November	
	Before Pilot	2023-Q1	2024-Q1	Before Pilot	2023-Q2		Before Pilot	2023-Q3	Before Pilot	2023-Q4
Average	0.07	0.08	0.15	0.12	0.08		0.09	0.13	0.13	0.16

With an average of 0.15 complaints per 1,000 trips, taxi complaints in 2024-Q1 are higher than the complaint rates found during the same three-month period from the prior year (0.08 complaints per 1,000 taxi trips), and an uptick compared to 2023-Q2 and 2023-Q3.

Staff also separately analyzed complaints regarding taxi driver response times, and in Table 2 below, showing a decrease from the same period of the prior year.

Table 2: Taxi Driver Response Time Complaints per 1,000 Trips

	December - February			March - May			June - August		September -November	
	Before Pilot	2023-Q1	2024-Q1	Before Pilot	2023-Q2		Before Pilot	2023-Q3	Before Pilot	2023-Q4
Average	0.04	0.05	0.01	0.01	0.01		0.01	0.01	0.01	0.003

SFMTA is also tracking paratransit taxi complaints, paying attention to complaints received about response times, which would indicate paratransit taxi customers are waiting longer for taxi trips. Thus far, there have been no complaints filed about paratransit taxi response time and there were overall fewer complaints about paratransit taxi trips per 1,000 trips during 2024-Q1 as compared to 2023-Q1, as indicated in Table 3 below.

Table 3: Paratransit Taxi Complaints per 1,000 Trips

	December - February			March - May			June - August		September -November	
	Before Pilot	2023-Q1	2024-Q1	Before Pilot	2023-Q2		Before Pilot	2023-Q3	Before Pilot	2023-Q4
Average	0.14	0.12	0.10	0.13	0.11		0.15	0.14	0.13	0.07

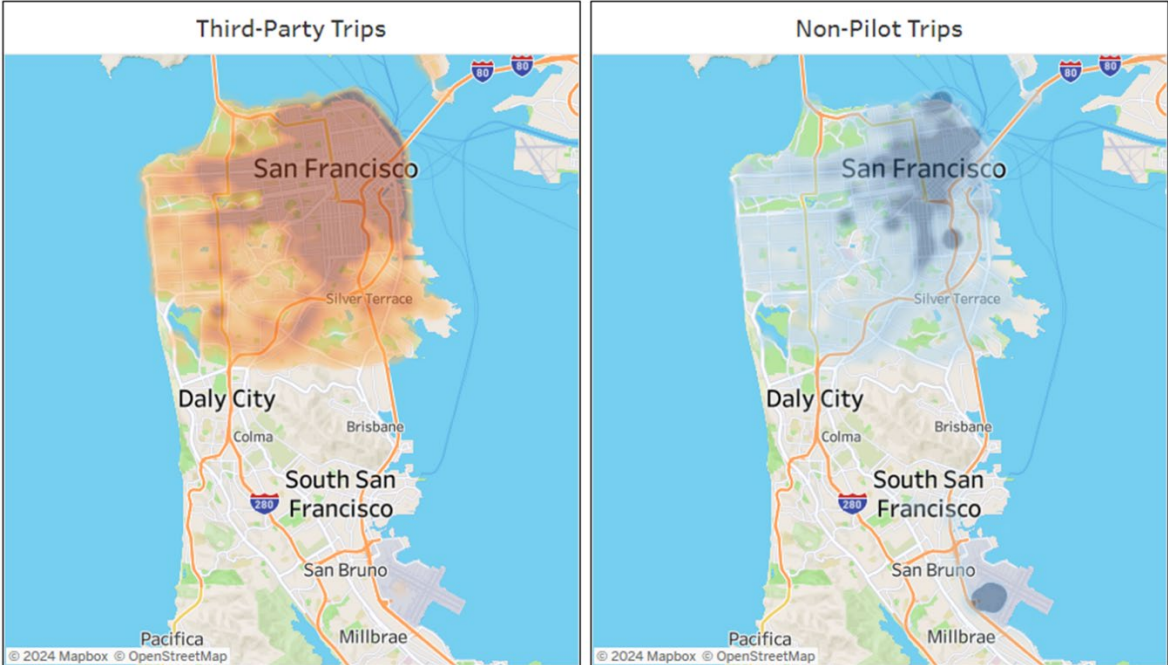
There has not been a notable change in the rate of paratransit taxi complaints throughout the course of the Pilot thus far. There are slight deviations from quarter to quarter, but the changes are minimal. It is unlikely that the Pilot has impacted the number or type of complaints for taxi trips or paratransit taxi trips since Pilot trips are still a small percentage of overall taxi trips, and many exogenous factors could impact taxi complaints. However, it is still an important metric to track.

Metric 1C: Geographic Distribution of Pilot Trips

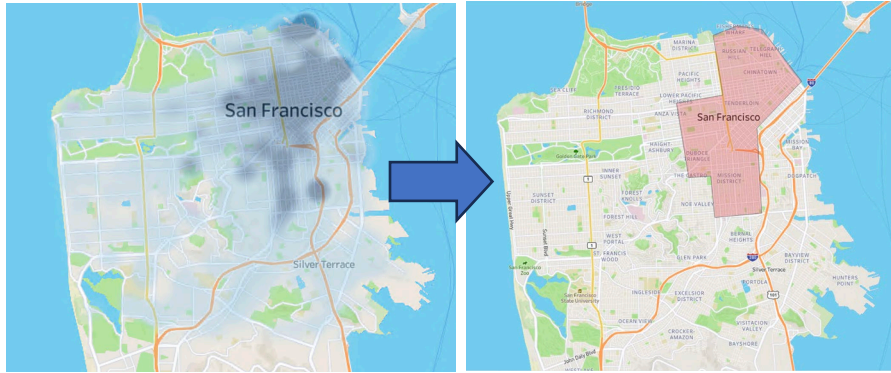
The SFMTA uses trip pick-up locations to determine the geographic distribution of taxi service. The SFMTA measured the expansion of service by comparing the geographic distribution of pick-up locations for Third-Party Pilot trips with non-Pilot taxi trips.

The spatial comparison in Figure 2 shows that Third-Party Trips have expanded the density of pickups to outer neighborhoods where taxi service has historically been less dense. The heat map for non-Pilot taxi trips only (not including Third-Party Pilot Trips) highlights the concentration of taxi service in the downtown area and at the airport. By contrast, the heat map for Third-Party Pilot Trips displays a much more even geographic distribution throughout the city.

Figure 2: Spatial Distribution of Trip Pick-Up Locations during 2024-Q1

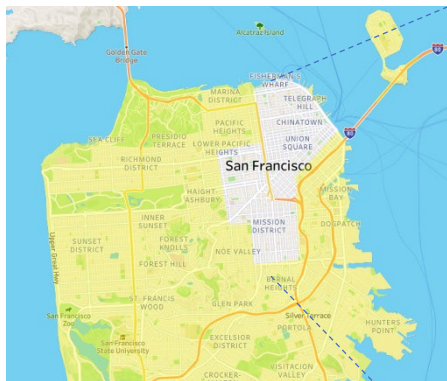


The maps below show the Core Service Area and Peripheral Service Area.



◀ **Core Service Area**

The Core Service Area is defined as the area within the city of San Francisco where the highest concentration of taxi pickups occurs, excluding airport pickups.



▲ **Peripheral Service Area**

The Peripheral Service Area is designated as the area located outside of the Core Service Area, but within the city of San Francisco.

- Peripheral Service Area
- Core Service Area

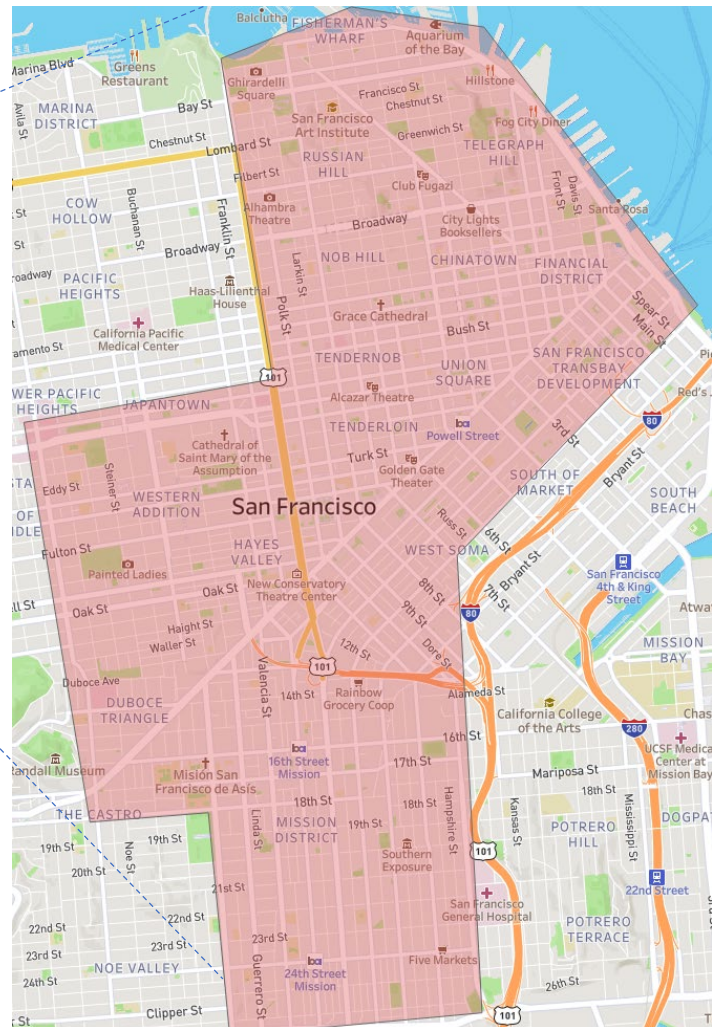


Table 4: Percentage of pickups in the Peripheral Service Area by hail type

	Overall Periphery Pct	Third Party Periphery Pct	Non-Third Party Perip..	Street Periphery Pct	Dispatch Periphery Pct	E-Hail Periphery Pct
2023-Q1	31.1%	45.0%	30.7%	20.0%	38.2%	34.3%
2023-Q2	31.5%	41.3%	30.5%	20.3%	38.7%	34.5%
2023-Q3	30.9%	36.8%	30.2%	20.5%	38.9%	34.0%
2023-Q4	30.8%	37.9%	30.0%	19.2%	39.6%	36.8%
2024-Q1	32.3%	39.1%	31.1%	20.8%	39.7%	36.6%

Table 4 shows the percentage of trip pickups in the Peripheral Service Area overall and by hail type. Pickups in the Peripheral Service Area make up a higher proportion of Third-Party Trips than non-Third-Party Trips. Therefore, Third-Party Trips are increasing the geographic distribution of taxi trips in San Francisco.

Figure 3: Number of trips in Peripheral Service Area by hail type

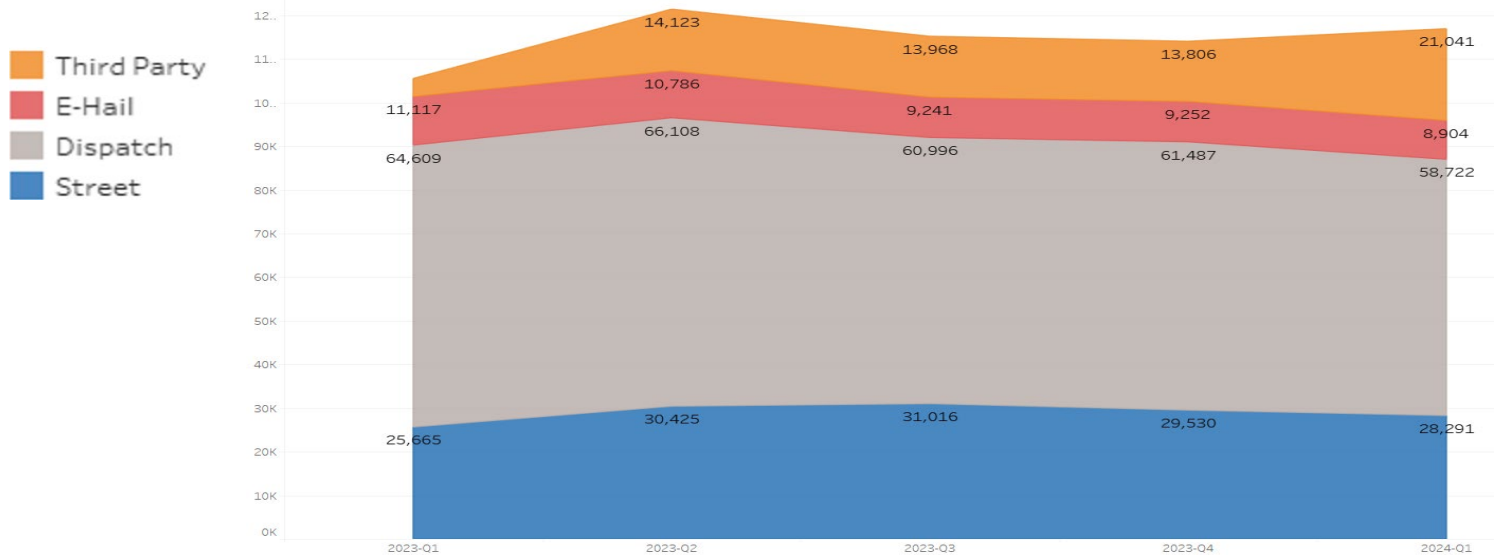


Figure 3 above shows that in 2024-Q1, Third-Party Trips in the Peripheral Service Area totaled 21,041, an increase over prior quarters, while trips in the Peripheral Service Area by other hail types (E-Hail, Dispatch, and Street) experienced declines.

Goal 2: Increase taxi trips

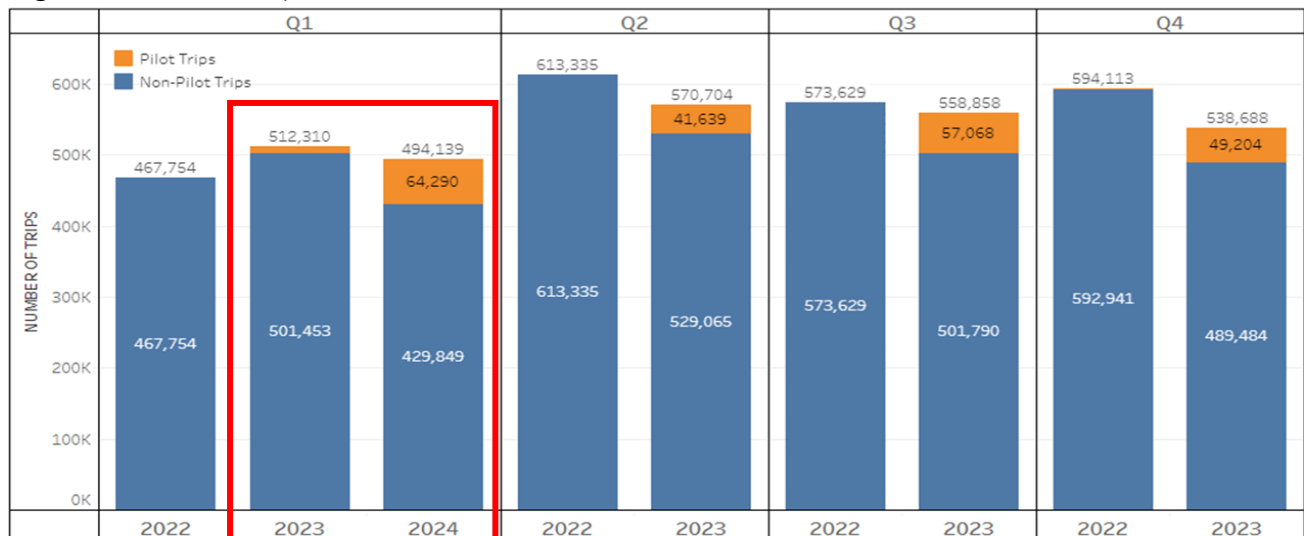
Metric 2A: Increase total taxi trips by 10%

The SFMTA tracks the total number of taxi trips provided during the Pilot term and compares it to the total number of taxi trips provided prior to the Pilot, with a goal of increasing total taxi trips by 10%.

2024 - Q1 RESULTS FOR GOAL 2

Increasing the total number of taxi trips is a key goal for the SFMTA, particularly since the number of taxi trips significantly declined after Transportation Network Companies (TNCs) began operations in San Francisco. There were further taxi trip reductions during the pandemic, which severely impacted taxi trip demand, reducing trip volumes by 70% on average. The SFMTA views an increase in the total number of taxi trips as indicative of the Pilot’s positive impact on the taxi industry and future growth. The total number of taxi trips includes all taxi trips in the SF market, including all Pilot trips (Taxi Pilot Trips and Third-Party Pilot Trips) and non-Pilot taxi trips. To account for strong seasonality in the industry, a year-over-year comparison provides a more “apples to apples” comparison of the change in taxi trips, although staff also has analyzed the total taxi trips in quarter over quarter, too. Comparing quarter over quarter helps provide a picture of the change in trips during the Pilot term, with the caveat that that some of the fluctuation can be attributed to external factors such as seasonality. Staff also acknowledge that other contextual factors, in addition to the Pilot, may influence the change in total taxi trips.

Figure 4: Total Taxi Trips



* Note: As part of the ongoing data validation process, staff found errors with the trip count from 2023-Q1, and Figure 4 has been updated to reflect the corrected figure (corrected from 511,560 in prior reports to 512,310). All future reports will use the corrected figure for 2023-Q1.

As Figure 4 above shows, total taxi trips declined from 2023-Q1 to 2024-Q1 (512,310 compared to 494,139). Total taxi trips have declined each quarter from 2023-Q2 to 2024-Q1. Without the addition of Pilot trips, the decline would have been more significant.

The decrease in total taxi trips from 2023-Q2 through 2024-Q1 may be attributed to macro trends in San Francisco, such as the slow economic recovery from the pandemic. Staff will continue to monitor and work to understand the variety of factors that play a role in taxi trip trends.

Goal 3: Maintain a consistent level of service for traditional taxi trips, including Paratransit taxi trips

Metric 3A: Taxi trips by hail type

The SFMTA assesses the impacts, if any, of Third-Party Pilot Trips on traditional taxi trips, including street hails and phone dispatch trips, by analyzing the distribution of trips by hail type before and during the Pilot term. In addition to reporting the relative distribution of trips by hail type, this section also includes the total number of trips by hail type, including the number of Taxi E-Hail App trips.

Metric 3B: Paratransit taxi trips

Staff analyzes the relative proportion of paratransit taxi trips to all taxi trips before and during the Pilot term to help assess potential impacts of the Pilot.

2024 - Q1 RESULTS FOR GOAL 3

Metric 3A: Taxi Trips by Hail Type

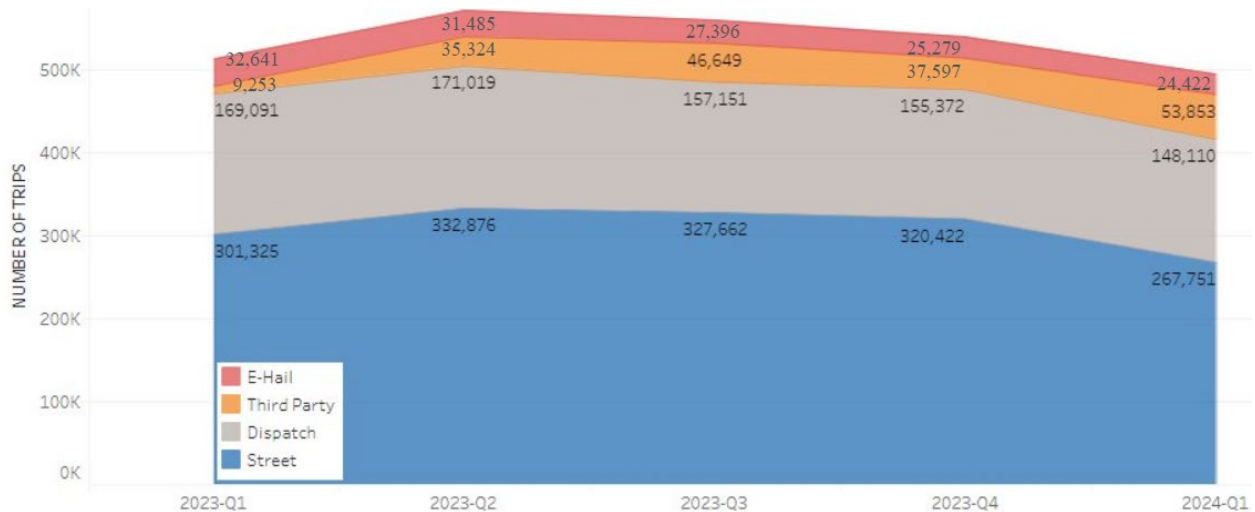
SFMTA is tracking the distribution of trips by hail type as a measure of the Pilot’s impact on customer service in the industry, particularly on the level of service for traditional taxi trips. Hail type refers to the method used by the customer to request a ride. There are three main methods for hailing a taxi in San Francisco: street trips are those hailed by hand on the street; dispatch trips are those requested through a phone call or website; and e-hail trips are those hailed through one of the three approved Taxi E-Hail Apps. Street and dispatch trips are both considered traditional taxi service trips that many customers continue to rely on. E-hail is a relatively new option that makes it easier for customers to hail a nearby taxi on their smart phones without the need to flag the vehicle down in the street or speak with a phone dispatch operator. In addition, the Pilot has introduced a fourth method for hailing taxis through apps operated by approved third-party entities. Due to deficiencies in the historical data on hail type prior to the Pilot, the SFMTA is unable to make a year-over-year comparison of trip distribution by hail type. Instead, staff measures change by comparing the distribution during the Pilot to the last full month before the Pilot began (October 2022).

Table 5: Percentage of Trips by Hail Type

	Street Hails	Dispatch Hails	E-Hails	Third-Party Hails
Baseline (October 2022)	62.3%	31.1%	6.6%	-
2023-Q1	58.8%	33.0%	6.4%	1.8%
2023-Q2	58.3%	30.0%	5.5%	6.2%
2023-Q3	58.6%	28.1%	4.9%	8.4%
2023-Q4	59.5%	28.8%	4.7%	7.0%
2024-Q1	54.2%	30.0%	4.9%	10.9%

As shown in Table 5 above, Third-Party Pilot Trip hails have increased each quarter of the Pilot, street hails have remained consistent in the first year of the Pilot yet dropping slightly in 2024-Q1, and phone dispatch as well as taxi E-Hail trips have decreased slightly during the Pilot thus far.

Figure 5: Number of Taxi Trips by Hail Type



Metric 3B: Paratransit Taxi Trips

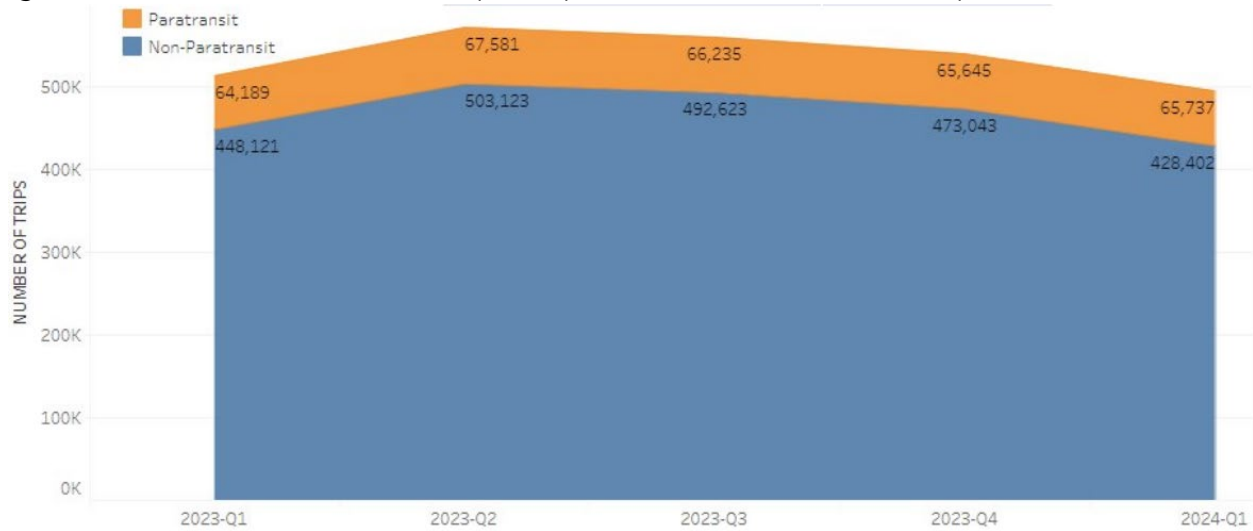
SFMTA is tracking the proportion of paratransit taxi trips of total taxi trips as a measure of the Pilot’s impact on the paratransit taxi service. To measure change in paratransit taxi service over time and account for industry seasonality staff compare paratransit taxi trips as a percentage of all taxi trips during the Pilot to a six-month baseline period before the Pilot began (May-October 2022).

During 2024-Q1 of the Pilot, paratransit taxi trips accounted for 13.3% of all taxi trips (65,737 out of 494,139). This represents a slight increase in the proportion of trips 2023 (varying in a range of 11.8% to 12.5%). Compared to the baseline period, it is a slightly higher proportion to the baseline percentage of 11.6%.

Table 6: Proportion of Paratransit Taxi Trips compared to Non-Paratransit Taxi Trips

	Paratransit Taxi Trips	Non-Paratransit Taxi Trips
Baseline (October 2022)	11.6%	88.4%
2023-Q1	12.5%	87.5%
2023-Q2	11.8%	88.2%
2023-Q3	11.9%	88.1%
2023-Q4	12.2%	87.8%
2024-Q1	13.3%	86.7%

Figure 6: Number of Paratransit Taxi Trips compared to Non-Paratransit Taxi Trips



The proportion of paratransit taxi trips as compared to total taxi trips remained largely consistent throughout the periods both before and after the start of the Pilot. Staff interprets consistency as an indication that the Pilot has not had a significant impact on the level of service provided to paratransit taxi customers during the Pilot term thus far.

Goal 4: Increase taxi driver fare revenue

Metric 4A: Increase participating taxi driver fare revenue by 10%

SFMTA monitors driver fare revenue to understand the Pilot’s impact on driver income. The SFMTA has updated this metric to clarify that the increase in taxi driver fare revenue is specific to drivers who participate in the Pilot. Although this metric is targeted on participating drivers to assess the impact of the Pilot, the SFMTA will continue to report on income for all drivers,

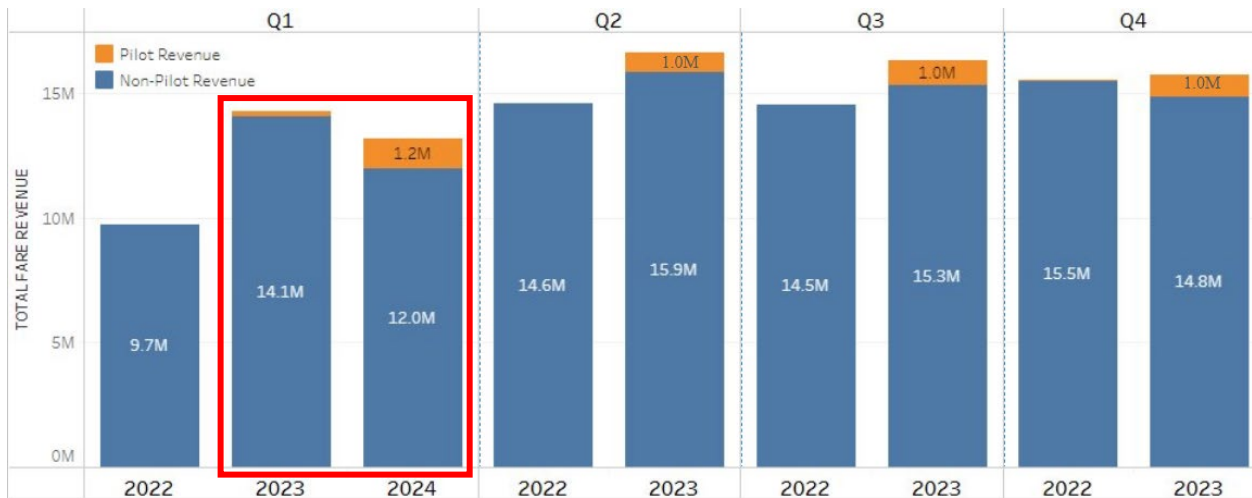
Fare revenue is the base amount charged to the customer for a trip, excluding tip, airport fees, baggage fees, out-of-town fees, tolls, and any other associated fees. These additional customer costs are not reported to SFMTA consistently enough to generate reliable data, and therefore are not included in our analysis. Fare revenue also excludes any calculation of color scheme or other- operational fees, such as those charged by the app provider or Third-Party Pilot app. Calculating net driver income requires an in-depth analysis of taxi driver costs, and staff is developing a plan to conduct this analysis during Year 2 of the Pilot.

Although fare revenue is not equivalent to the final amount received by the driver, it is the most reliable indicator of driver revenue available to SFMTA given current data reporting protocols. To account for industry seasonality, SFMTA measured the change in fare revenue during 2023-Q1 of the Pilot by comparing it to the same period last year and the prior Pilot periods. SFMTA also tracks the amount of fare revenue that drivers earned from Pilot trips compared to non-Pilot trips.

2024 - Q1 RESULTS FOR GOAL 4

As shown in Figure 7 below, the total quarterly fare revenue (non-Pilot plus Pilot fare revenue) for all taxi drivers decreased during the 2024-Q1 of the Pilot as compared to 2023-Q1, although it's important to note that total Pilot fare revenue for the same period increased over all prior quarters of the Pilot. 2024-Q1 Pilot fare revenue increased to \$1.2M, which is 10% of the total non-Pilot fare revenue (\$12M).

Figure 7: Total Quarterly Fare Revenue for all Taxi Drivers



To understand the impact of the Pilot on driver fare revenue, the SFMTA clarified Metric 4A and included an analysis of participating drivers as compared to non-participating drivers.

Figure 8: Average Quarterly Driver Revenue for Pilot and Non-Pilot Drivers



Figure 8 above shows that for each quarter of the Pilot, participating drivers earn more on average than non-participating drivers from the combination both Pilot and non-Pilot taxi trips. During 2024-Q1,

participating drivers earned 17.7% more on average than non-participating drivers. Additionally, drivers who provide Third-Party Trips earned 38.1% more on average (\$16,198.81) in 2024-Q1 than drivers who did not provide Pilot trips (\$11,725.99). Drivers who provided Third-Party Pilot Trips earned an average of \$2,069 per month in 2024-Q1 from those trips alone, which represents an 89.3% increase from 2023-Q1 (\$1,093).

Figure 8 also shows that average fare revenue per driver decreased for both Pilot and Non-pilot drivers from 2023-Q4 to 2024-Q1, which is due to decreases in revenue from non-Pilot trips. Without the additional fare revenue from Pilot trips, taxi drivers would have experienced a steeper decline in overall fare revenue.

Some taxi industry members continue to express concerns regarding the fee charged to drivers by Uber for the Third-Party Trips. As with Uber's passenger fares, the driver fees are dynamic, and this has been an area of concern for the taxi industry, because the fee structure for the taxi industry is not dynamic. The weighted average fee charged to drivers during 2024-Q1 was 18.03% of the customer fare and 16.7% for the entire year 1 of the Pilot (12/2022 - 11/2023). This fee is similar to the 13.5% fee that Flywheel Technologies charges drivers. To provide taxi drivers with full transparency regarding their potential earnings for servicing a Third-Party Pilot Trip, taxi drivers can see the pick-up and drop-off locations and the amount they will earn for that trip prior to accepting the trip. The taxi driver can then make an informed decision about servicing each specific Third-Party Trip.

Goal 5: Increase the number of taxi drivers

Metric 5A: Increase the number of active taxi drivers in service

Active drivers in service are defined as drivers who provided at least one trip during the analysis period (in this case, during 2024-Q1). Tracking the number of active drivers in service helps SFMTA assess whether more drivers are actively working during the Pilot term as compared to prior. While there are many factors external to the Pilot that may impact this metric, it is important for SFMTA to track this metric as one measure of the Pilot's success.

Metric 5B: Increase the number of new taxi drivers

The SFMTA tracks the number of taxi drivers, assessing for an increase in the total driver pool. As the agency anticipates an increasing number of trips due to the Pilot, the number of drivers willing to conduct trips can help determine the impact that the Pilot has on drivers. Additionally, if trip demand increases, the market response should be a corresponding increase in the number of drivers. An increase in the number of drivers may be a result of the opportunities to increase driver revenue, however, national labor issues and other factors outside of the SFMTA's sphere of influence could also be contributing factors to driver pool supply limitations. Therefore, there is not a specific target for this metric, but changes in the number of drivers during the Pilot will be tracked.

Metric 5C: Number of drivers participating in the Pilot

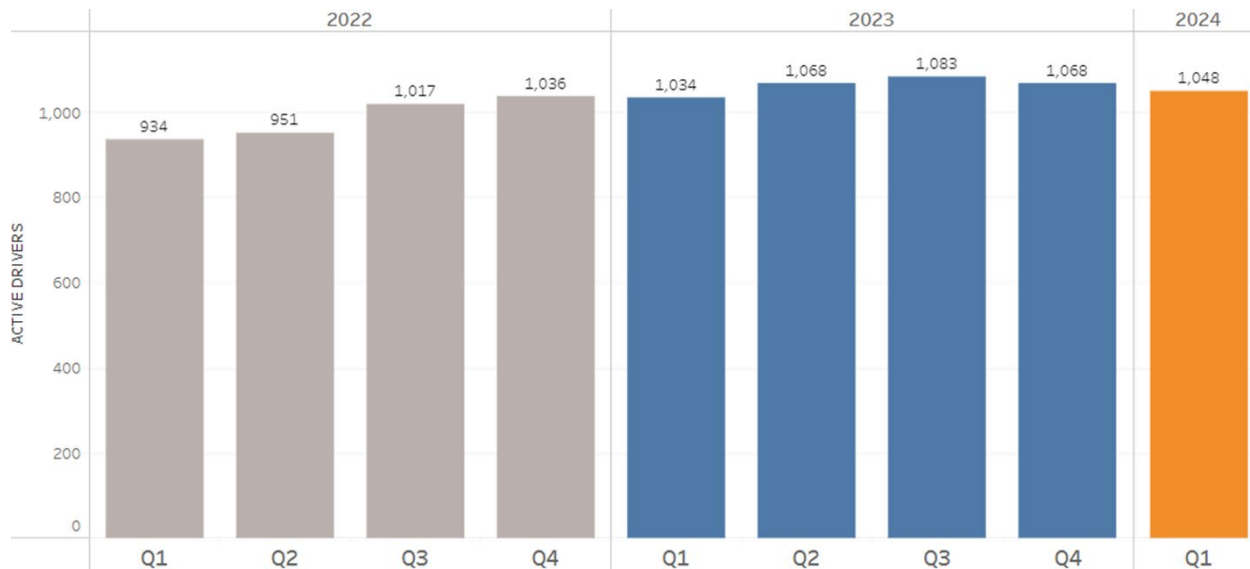
The SFMTA added this metric to track the number of drivers participating in the Pilot, as another targeted assessment of the impact of the Pilot.

2024 - Q1 RESULTS FOR GOAL 5

Metric 5A: Increase the number of active taxi drivers

The number of active drivers has increased during each quarter of the Pilot as compared to the same period during the previous year. The total number of active drivers during 2024-Q1 was 1,048, a 1.4% increase from the number of active drivers over the same three-month period during the previous year (1,034).

Figure 9: Active Drivers per Quarter



Metric 5B: Increase the number of new taxi drivers

The number of new taxi drivers has increased year over year, per Table 7 below. The number of new taxi drivers entering the industry increased significantly in 2022, and the trend continues through 2024. The SFMTA issued 55 more permits (A-Cards) to new taxi drivers in 2024 YTD, as of May 14, 2024.

Table 7: New Taxi Drivers by Calendar Year

Year	2018	2019	2020	2021	2022	2023	2024
New Taxi Drivers	43	33	23	22	135	198	55

The number of new drivers in 2024-Q1 decreased from the same period of the prior year. But the decline may be attributed to seasonal fluctuations within the industry, as historical data indicates a typically lower number of new drivers between December and February, prior to the pilot program.

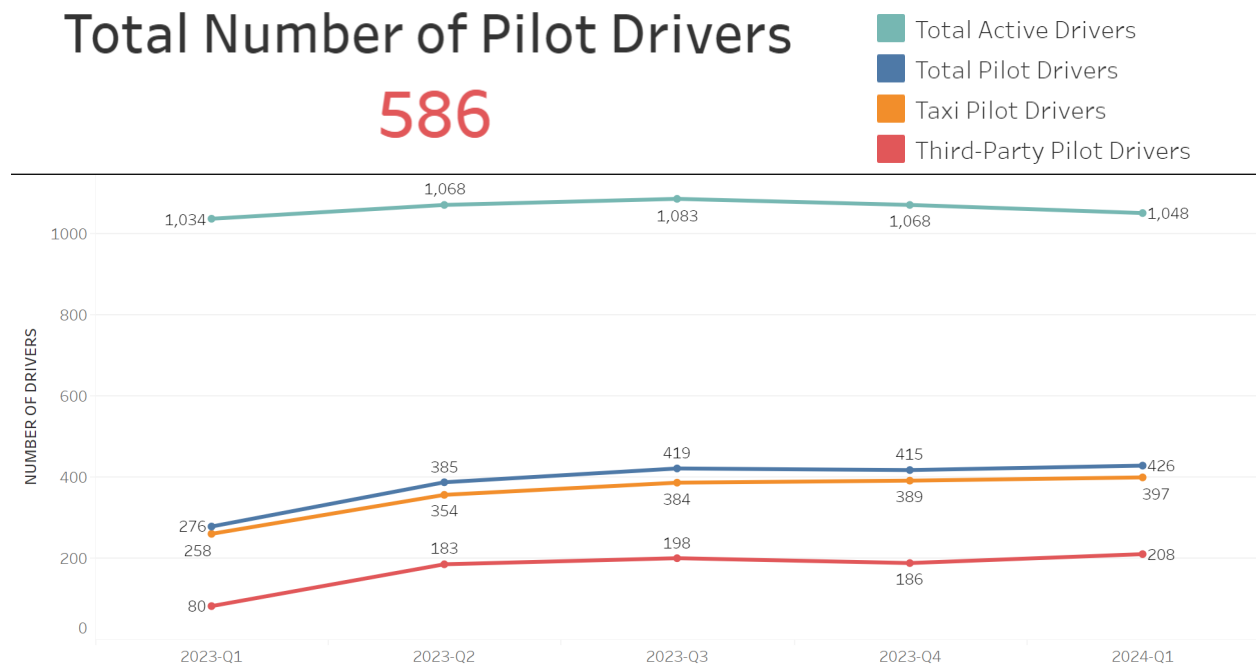
Table 8: New Taxi Drivers per Quarter

	December - February		March - May		June - August		September - November		
	Before Pilot	2023-Q1	2024-Q1	Before Pilot	2023-Q2	Before Pilot	2023-Q3	Before Pilot	2023-Q4
Total	11	65	35	18	52	38	59	58	38

Metric 5C: Number of drivers participating in the Pilot

The number of drivers participating in the Pilot has increased in each quarter. The number of drivers who provided Pilot trips increased by 50.4% from 2023-Q1 (276) to 2024-Q1 (426).

Figure 10: Driver Participation in the Pilot 2023-Q1 – 2024-Q4



This metric represents the total number of drivers who participated in the Pilot from the first quarter through the most recent quarter. Total Active Drivers: drivers that have provided at least one taxi trip of any kind. Total Pilot Drivers: drivers that have provided at least one Taxi Pilot or Third-Party Pilot Trip. Taxi Pilot Drivers: drivers that have provided at least one Taxi Pilot Trip; may or may not have provided any Third-Party Pilot Trips. Third-Party Pilot Drivers: drivers that have provided at least one Third-Party Pilot Trip; may or may not have provided any Taxi Pilot Trips.

Goal 6: Ensure that Taxi Pilot Trip fares closely match the Taximeter rates

Metric 6A: Taxi Pilot Trip fares should be within 10% of the Taximeter rate on average

The SFMTA assesses how closely the Taxi Pilot Trip fares match the estimated Taximeter rate for those trips. On average, Taxi Pilot Trip fares should be within a 10% range of the Taximeter.

Third-Party Pilot Trips are not required to adhere to Taximeter rates, but SFMTA tracks how those fares compare to Taximeter rates on average, for informational purposes.

2024 - Q1 RESULTS FOR GOAL 6

Metric 6A: Taxi Pilot Trip fare within 10% of the Taximeter rate on average

During 2024-Q1, the average upfront fare (\$14.21) was 4.8% below the estimated average Taximeter fare (\$14.93), which is calculated by the SFMTA. This indicates that the Taxi Pilot fares are within the allowable 10% range.

Table 9: Taxi Upfront Fare compared to the Estimated Meter Fare

	Avg Taxi Upfront Fare	Avg Estimated Taximeter Fare	% Different
2023-Q1	\$13.01	\$13.53	-3.80%
2023-Q2	\$14.22	\$14.83	-4.10%
2023-Q3	\$13.85	\$14.45	-4.10%
2023-Q4	\$14.49	\$15.18	-4.60%
2024-Q1	\$14.21	\$14.93	-4.80%

Third-Party Pilot Trips are not required to adhere to Taximeter rates, but SFMTA tracks how those fares compare to Taximeter rates on average, for informational purposes. During 2024-Q1, the average Third-Party fare was 0.7% higher than the average non-Pilot taxi meter fare when comparing similar trips, although average Third-Party Trip fares exceed average taxi fares from late afternoon through early morning hours. To develop a comparison of similar trips, all trips originating at the San Francisco International Airport (SFO) or meeting the criteria for out-of-town trips have been excluded to provide a consistent comparison. This is because Third-Party pick-ups are not allowed at SFO and the meter and a half rate (150% of meter rate is allowed for out-of-town trips beyond 15 miles of the city) do not apply to Third-Party Trips.

Conclusion

The Taxi Upfront Fare Pilot continues to show promising outcomes. As observed in prior quarters, there have been notable increases in the number of new taxi drivers, the number of drivers participating in the Pilot, and drivers who provide Third-Party Trips are experiencing higher average earnings than drivers who do not service Pilot trips. The addition of Third-Party Pilot trips has provided an important new stream of taxi trips to help address the decline in traditional taxi trips.

The Pilot continues to require an extensive amount of data validation and analysis. As noted in the Methodology section, the SFMTA relies on the taxi industry to provide data, which is then reviewed and validated by the Taxis, Access & Mobility Services Data Analytics Team. The SFMTA has noted instances of missing or misreported data, which staff have worked with the taxi industry to correct. This continues to be an ongoing process and staff will continue to review and update data, metrics, and subsequent reporting as needed.

SFMTA staff continue to explore the possibility of including Third-Party Wheelchair Accessible Vehicle (WAV) Trips in the Pilot. Potential changes have been discussed with a number of stakeholders, including the taxi industry and disability community. Any proposed policy would need to be approved by the California Public Utilities Commission (CPUC).

Furthermore, the SFMTA is considering an update to Pilot rules to permit individual drivers to accept Third-Party Trips, even if their color scheme is not officially affiliated with a particular Third-Party Provider. This potential adjustment aims to provide greater flexibility for drivers.

The SFMTA remains committed to supporting the taxi industry through innovative new programs and services, like the Pilot and the Essential Trip Card program, a subsidized taxi service for older adults and people with disabilities. SFMTA staff value the quarterly Taxi Outreach Meetings as an opportunity to receive essential input from the taxi industry and taxi riders. The SFMTA will continue to explore new opportunities to support a thriving taxi industry in San Francisco throughout the Pilot and beyond.