



Memorandum to the Board of Directors

Taxi Upfront Fare Pilot – Fourth Quarter Report

To: SFMTA Board of Directors
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Through:  Jeffrey Tumlin
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From:  Kate Toran
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Date: March 6, 2024

Subject: Taxi Upfront Fare Pilot – Fourth 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). These [reports](#) summarize the Pilot and its policy goals and analyze program metrics. Previous time periods analyzed were December 2022 through February 2023 (Q1), March 2023 through May 2023 (Q2), and June through August 2023 (Q3).

This is the fourth quarterly report, covering September 2023 through November 2023 (Q4), as well as the first full year. Analyzing the first year of the Pilot, this report is 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. The memorandum updating the Pilot term and revising certain metrics, program rules and requirements, and application process during the extension period, December 1, 2023, through June 30, 2025, is linked [here](#).

Summary of Key Takeaways Q1 - Q4

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 first year of the Pilot shows the following:

- A total of 158,768 Pilot trips were provided during the first year of the Pilot, increasing over 353% from Q1 to Q4.

	Q1	Q2	Q3	Q4
Pilot trips provided	10,857	41,639	57,068	49,204

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

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

- 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 SFMTA issued 199 new taxi driver permits (A-Cards) in calendar year 2023, which exceeded those issued in 2022 (135) by 47%.
- The number of drivers participating in the Pilot continues to increase, growing by 50.4% from Q1 to Q4.

	Q1	Q2	Q3	Q4
Drivers participating in Pilot	276	385	419	415

- Drivers who service Third-Party Trips earned on average 30.5% more in fare revenue during Q4 than drivers who did not provide Pilot trips.
- Drivers who provided Third-Party Trips earned an average of \$1,641 per month from those trips alone in Q4, which represents a 50.1% increase from Q1 (\$1,093).
- Comparing year one of the Pilot (Dec 2022-Nov 2023) to the same period of previous year, Flywheel color scheme (the only Pilot participant during year 1) also shows the biggest increase in active drivers:
 - Flywheel Taxi = 75.5% increase (from 335 to 588)
 - Yellow Cab = 8.2% increase (from 514 to 556)
 - San Francisco Taxicab = 19.3% increase (from 171 to 204)
- The relative proportion of paratransit taxi trips to all taxi trips before and during the first year of the Pilot term 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 Tax 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 Q4 data to previous quarters, understanding that seasonal differences between the quarters may impact results, making analysis even more necessary to understand trends over the Pilot term.

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 do not intend to claim that the industry trends discussed below are solely the result of the Pilot.

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

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.

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

Tracking the geographic distribution was not an official Pilot metric initially, although the SFMTA did track and report on the geographic expansion of taxi service within the city as a measure of the Pilot's impact on customer service. SFMTA staff has decided to add the geographic distribution of Pilot trips as a metric. For Q3 and Q4 of the initial Pilot term, the SFMTA included a heat map that displayed the geographic distribution of Third-Party Trips. During year 2 of the Pilot, the SFMTA aims to develop a numerical metric that will measure the expansion of service by comparing the geographic distribution of pick-up locations for Third-Party Trips with non-Pilot taxi trips.

QUARTER 4 RESULTS FOR GOAL 1

Metric 1A: Total Number of Pilot Trips

Altogether there were 49,204 total Pilot trips in Q4, 24% (11,607) of which were Taxi Pilot Trips and 76% (37,597) were Third-Party Trips. Total Pilot trips decreased by 13.8% in Q4 compared to Q3 (57,068) and increased 18.1% compared to Q2 (41,639). Yet still, total Pilot trips in Q4 increased 353% when compared to Q1 (10,857), the first quarter of the Pilot term. These comparisons are shown in Figure 1 below. Due to the seasonal variation, with winter months typically being slower, staff expected an overall decrease in Pilot trips in Q4 when compared to Q3 and Q2. Typically, local tourism slows down during the winter months (Q1, Q4) in comparison to the warmer months, summer (Q3) or spring (Q2). However, even considering seasonal variation, Taxi Pilot Trips accounting for a higher proportion of overall Pilot Trips in Q4 is particularly notable. Despite the decrease in overall Pilot Trips, Taxi Pilot Trips continued to increase quarter-over-quarter through Q4, increasing 11.4% from Q3 (10,419). Staff will continue to monitor the changes in Pilot Trips as the Pilot continues to evaluate the impacts that seasonality, tourism, and other time-based factors have on Pilot trips.

Figure 1: Total Pilot Trips Q1 - Q4



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 Q4 with the same period from the prior year, along with comparisons to Q3, Q2, and Q1. 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 Q1 - Q4 compared to the same period from the previous year

	Before Pilot (Dec 2021 – Feb 2022)	Q1 of Pilot (Dec 2022 – Feb 2023)	Before Pilot (March - May 2022)	Q2 of Pilot (March - May 2023)	Before Pilot (June – Aug 2022)	Q3 of Pilot (June – Aug 2023)	Before Pilot (Sept– Nov 2022)	Q4 of Pilot (Sept– Nov 2023)
Average	0.07	0.08	0.12	0.08	0.09	0.13	0.13	0.16

With an average of 0.16 complaints per 1,000 trips, taxi complaints in Q4 are higher than the complaint rates found during the same three-month period from the prior year (0.13 complaints per 1,000 taxi trips), and a slight uptick compared to Q1 and Q2.

Staff also separately analyzed complaints regarding taxi driver response times, and in Table 2 below, there was a change during Q4 as compared to prior quarters, it decreased in the same period from the prior year.

Table 2: Taxi Driver Response Time Complaints per 1,000 Trips Q1 - Q4 compared to the same periods from the previous year

	Before Pilot (Dec 2021 – Feb 2022)	Q1 of Pilot (Dec 2022 – Feb 2023)	Before Pilot (March - May 2022)	Q2 of Pilot (March - May 2023)	Before Pilot (June – Aug 2022)	Q3 of Pilot (June – Aug 2023)	Before Pilot (Sept– Nov 2022)	Q4 of Pilot (Sept– Nov 2023)
Average	0.04	0.05	0.01	0.01	0.01	0.01	0.02	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. Over the first three quarters of the Pilot, there were no complaints filed about paratransit taxi response time and there were overall fewer complaints about paratransit taxi trips per 1,000 trips when compared to the same period from the year prior, as indicated in Table 3 below.

Table 3: Paratransit Taxi Complaints per 1,000 Trips Q1 – Q4 compared to the same periods from the previous year

	Before Pilot (Dec 2021 – Feb 2022)	Q1 of Pilot (Dec 2022 – Feb 2023)	Before Pilot (March - May 2022)	Q2 of Pilot (March - May 2023)	Before Pilot (June – Aug 2022)	Q3 of Pilot (June – Aug 2023)	Before Pilot (Sept– Nov 2022)	Q4 of Pilot (Sept– Nov 2023)
Average	0.14	0.12	0.13	0.11	0.15	0.14	0.13	0.07

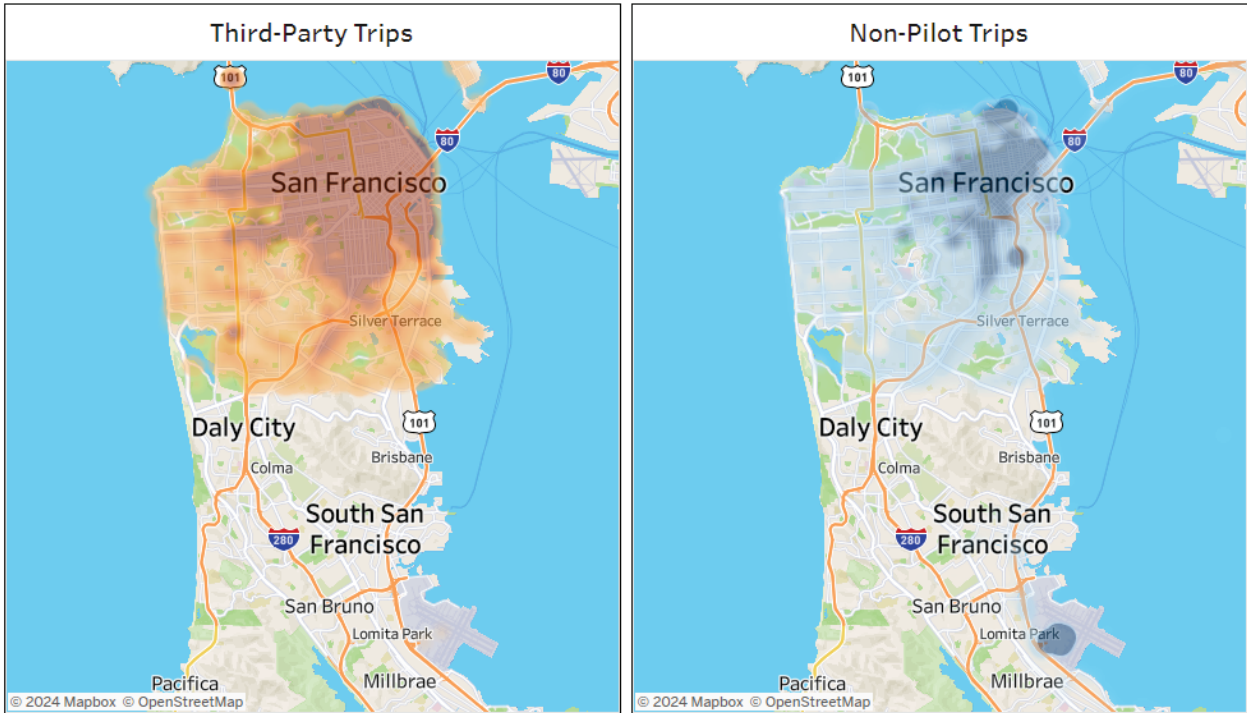
In general, SFMTA has not seen a notable change in the rate of complaints during Q4. There are slight deviations from the year prior, but the changes are minimal. It is unlikely that the Pilot impacted the number or type of complaints for taxi trips or paratransit taxi trips since Pilot trips are still 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 and drop off 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 pick-ups to outer neighborhoods where taxi service has historically been less dense. The heat map for 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 Q4



Goal 2: Increase taxi trips

Metric 2A: Increase total taxi trips by 10%

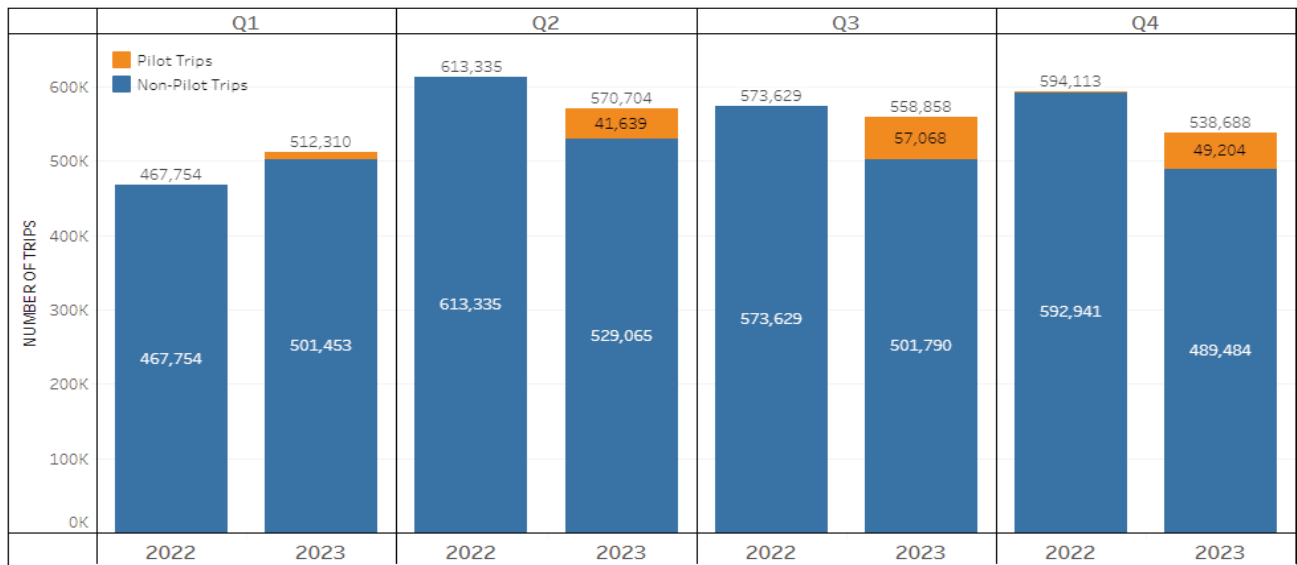
The SFMTA tracks the total number of taxi trips provided during the Pilot term and compares it to the total number of taxi trips provided prior to the Pilot, with a goal of increasing total taxi trips by 10%.

QUARTER 4 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 3: Total Taxi Trips Q1 – Q4 compared to the same periods from the previous year



* Note: As part of the ongoing data validation process, staff found errors with the trip count from Q1, and Table 3 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 Q1.

As Figure 3 above shows, total taxi trips have declined during Q2 - Q4 of the Pilot term as compared to the prior year, and that without the addition of Pilot trips, the decline would have been more significant.

The year-over-year difference for the entire four quarters (2,180,560 compared to 2,248,831) is less significant (3%) mainly due to the increase in trips during Q1 as compared to the same period for the prior year. It is not clear to staff how to account for this decrease in total taxi trips during Q2 - Q4, but may be attributed to macro trends in San Francisco, such as the slow economic recovery from the pandemic. Staff will continue to monitor trip trends.

The SFMTA’s goal of a 10% increase in total taxi trips has not yet been met and staff will continue to work to understand confounding factors that may play a role in the total 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, which has been requested by the taxi industry.

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. In response to the taxi industry’s request for additional information about the potential impact of the Pilot on paratransit taxi service, staff conducted additional analysis detailed below.

QUARTER 4 RESULTS FOR GOAL 3

Metric 3A: Taxi Trips by Hail Type

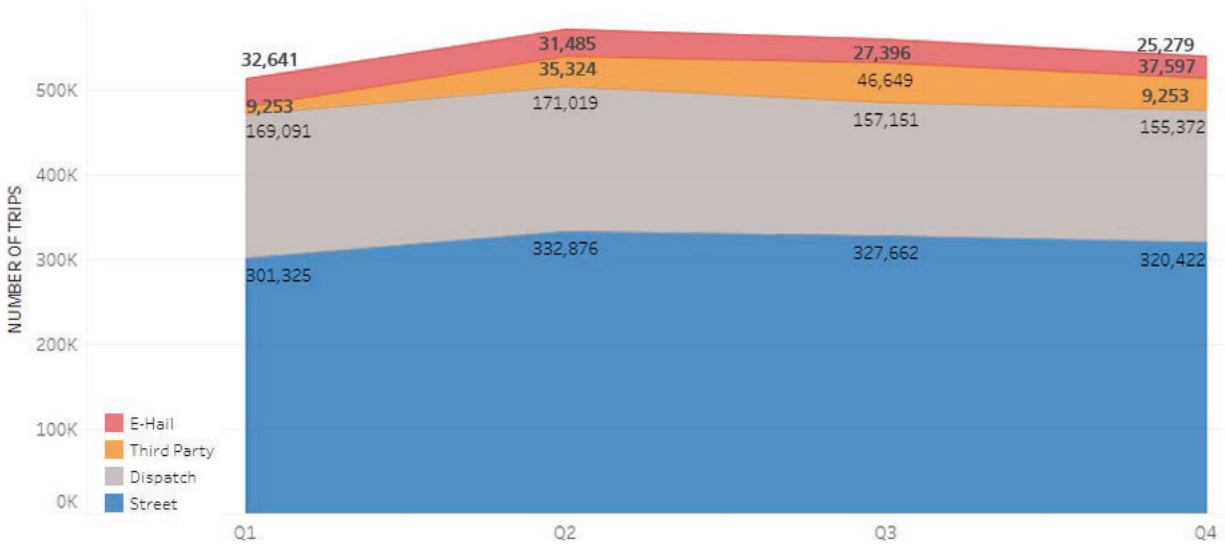
SFMTA is tracking the distribution of trips by hail type as a measure of the Pilot’s impact on customer service in the industry, particularly on the level of service for traditional taxi trips. Hail type refers to the method used by the customer to request a ride. There are three main methods for hailing 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 from last year, 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 4: Proportion of Trips by Hail Type during Q1, Q2, Q3, and Q4 compared to a Baseline Period (October 2022)

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

As shown in Table 4 above, Third-Party Pilot Trip hails have increased each quarter of the Pilot, street hails have remained consistent, and phone dispatch as well as taxi E-Hail trips have decreased slightly during the Pilot thus far.

Figure 4: Number of Taxi Trips by Hail Type Q1 – Q4



Metric 3B: Paratransit Taxi Trips

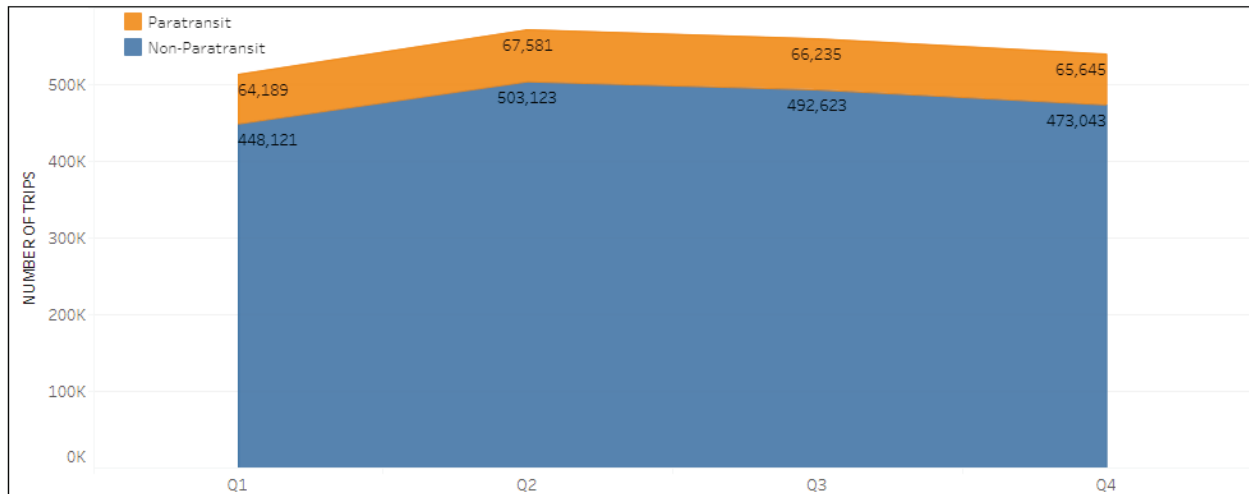
SFMTA is tracking the proportion of paratransit taxi trips of total taxi trips as a measure of the Pilot’s impact on the paratransit taxi service. To measure change in paratransit taxi service over time and account for industry seasonality staff compare paratransit taxi trips as a percentage of all taxi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

During Q4 of the Pilot, paratransit taxi trips accounted for 12.2% of all taxi trips (65,645 out of 538,688). This represents a slight increase in the proportion of trips in Q3 and Q2, and a slight decrease from Q1 (12.5%). Compared to the baseline period, it is a slightly higher proportion to the baseline percentage of 11.6%.

Table 5: Proportion of Paratransit Taxi Trips Q1 – Q4 compared to a Baseline Period (May - October 2022)

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

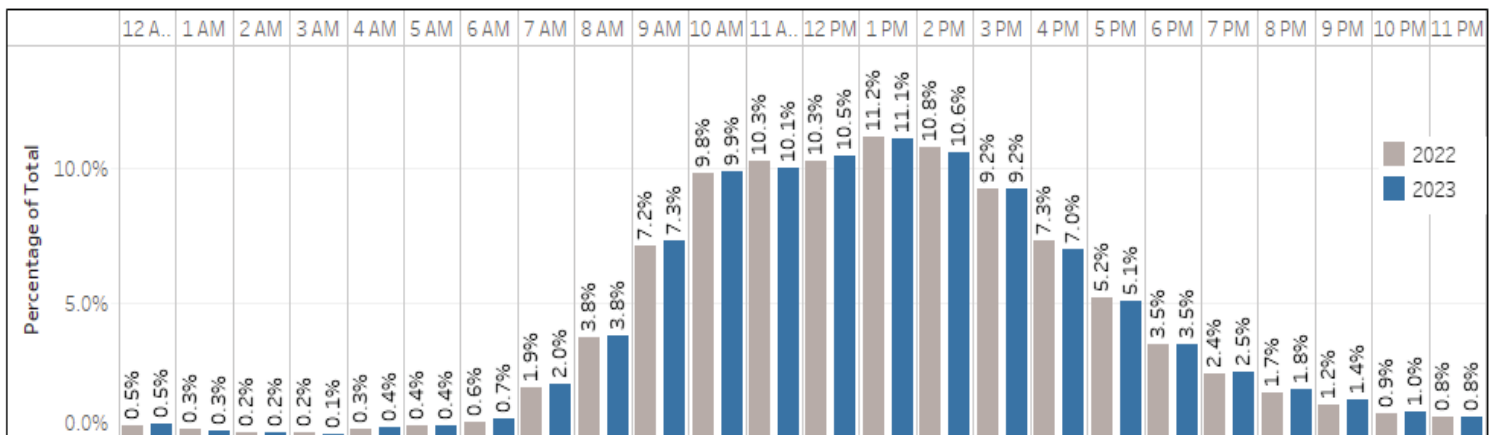
Figure 5: Number of Paratransit Taxi Trips compared to Non-Paratransit Taxi Trips Q1 – Q4



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.

As noted above, in response to feedback from the industry, staff also performed an extended analysis of the impact on paratransit taxi service during the first year of the Pilot. This analysis focused on two areas of potential concern. First, staff evaluated whether the Pilot has affected the level of paratransit taxi service at specific times of day, such as peak travel hours. The results are shown in the chart below, which compares the distribution of paratransit taxi service by time of day in 2022 (before the Pilot) to 2023 (during the Pilot). This data indicates that there has been no significant impact from the Pilot on the level of paratransit taxi service during peak travel hours or other specific times of day.

Figure 6: Comparison of Paratransit Taxi Service Time-of-Day Distribution in 2022 and 2023



The second area of focus for extended analysis was whether participation in the Pilot affected patterns of service among existing paratransit taxi drivers. To facilitate this analysis, staff focused specifically on those drivers who solely provided paratransit taxi service without participating in the Pilot during Q1

2023, and then participated in the Pilot continuously from Q2 through Q4 2023. Fifty-seven drivers met these criteria and were therefore included in the analysis (referred to below as “paratransit-pilot drivers”). Notably, all drivers included in this analysis continued providing paratransit taxi service in Q2-Q4; no drivers who provided paratransit service in Q1 and then participated in the Pilot in Q2-Q4 stopped providing paratransit service. Staff compared the level of paratransit service provided by this subset of drivers in Q1 (i.e. before they started participating in the Pilot) to Q2-Q4 (i.e. during their participation in the Pilot). As the table below shows, when these drivers began to increase their participation in the pilot during Q2 and Q3, their level of paratransit taxi service increased at the same time; and when their paratransit taxi service decreased in Q4, their participation in the pilot dipped as well. Staff interprets this data as an indication that the Pilot has not affected the service patterns of paratransit taxi drivers negatively, and instead may have even had a slightly positive impact.

Table 6: Change in the Level of Paratransit Taxi Service Among Paratransit-Pilot Drivers

	Drivers	Pilot Trips	Paratransit Trips	Percent Change
Q1	57	0	993	
Q2	57	3,510	1,630	64.15%
Q3	57	7,826	2,079	27.55%
Q4	57	6,655	1,698	-18.33%

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 specify that the increase in taxi driver fare revenue is specific to drivers who participate in the Pilot. The SFMTA will continue to report on income for all drivers, although it will target the metric to participating drivers to assess the impact of the Pilot more accurately.

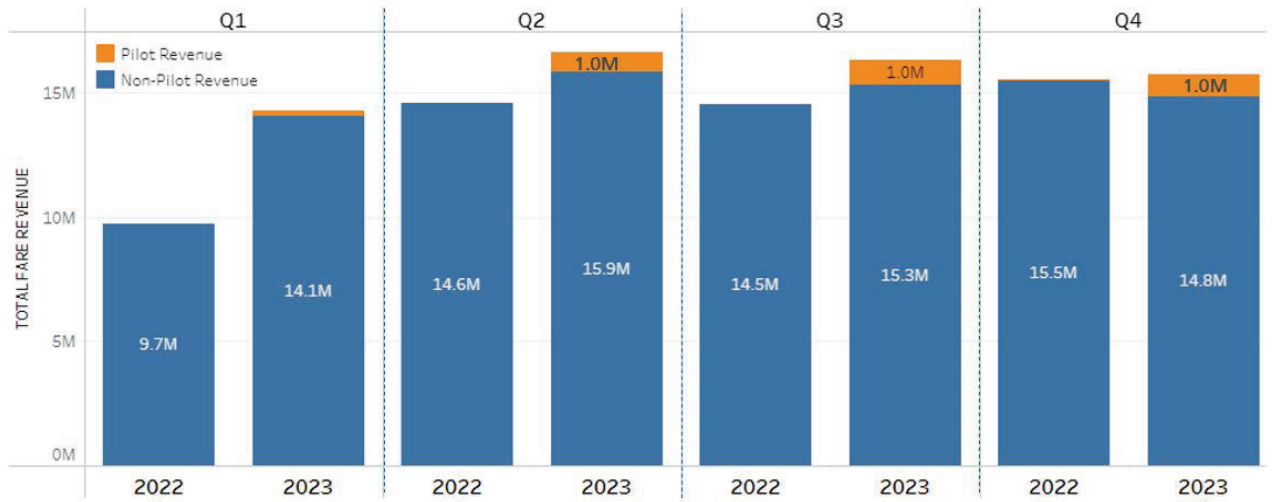
Fare revenue is the base amount charged to the customer for a trip, excluding tip, airport fees, baggage fees, out-of-town fees, tolls, and any other associated fees. These additional customer costs are not reported to SFMTA consistently enough to generate reliable data, and therefore are not included 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 Q4 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.

QUARTER 4 RESULTS FOR GOAL 4

Total fare revenue for drivers increased in each of the first four quarters of the Pilot as compared to the same period of the previous year.

Figure 7: Total Quarterly Fare Revenue Q1 – Q4 compared to the same periods from the previous year



Average fare revenue for all drivers increased 15.8% during the first four quarters of the Pilot as compared to the same period during the previous year. This increase tracks with the taximeter rate increase and cannot be attributed solely to the Pilot.

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

Figure 8: Average Quarterly Driver Revenue Q1 – Q4 for Pilot and Non-Pilot Drivers

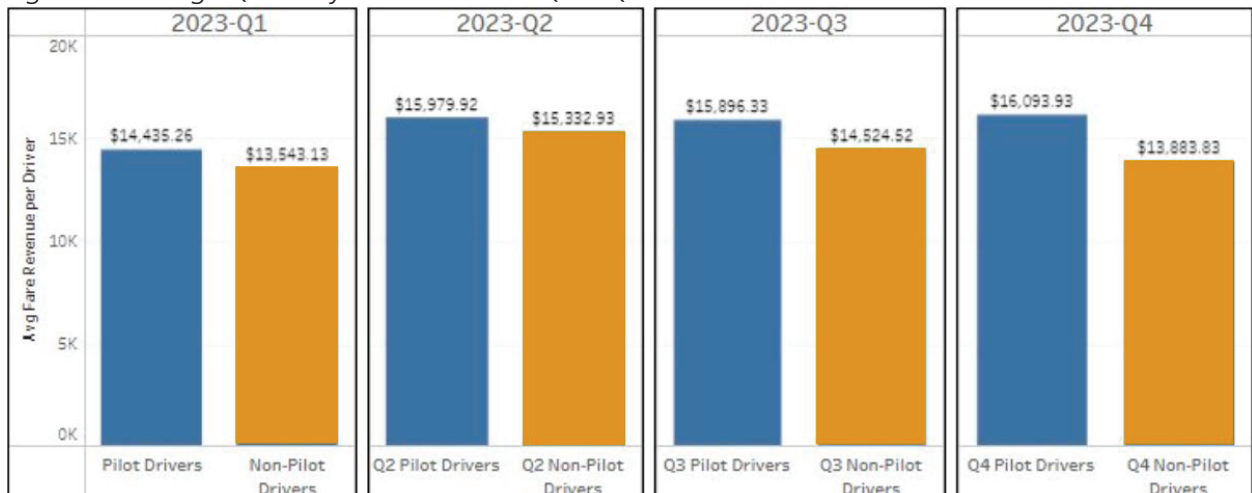


Figure 8 above shows that for each quarter of the Pilot, participating drivers earn more on average than non-participating drivers. During Q4, participating drivers earned 15.9% more on average than non-participating drivers. Additionally, drivers who provide Third-Party Trips earned 30.5% more on

average (\$18,123.28) in Q4 than drivers who did not provide Pilot trips (\$13,883.83). Drivers who provided Third-Party Pilot Trips earned an average of \$1,641 per month in Q4 from those trips alone, which represents a 50.1% increase from Q1 (\$1,093).

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 Q4 was 21.7% 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 Q4 of the Pilot). 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.

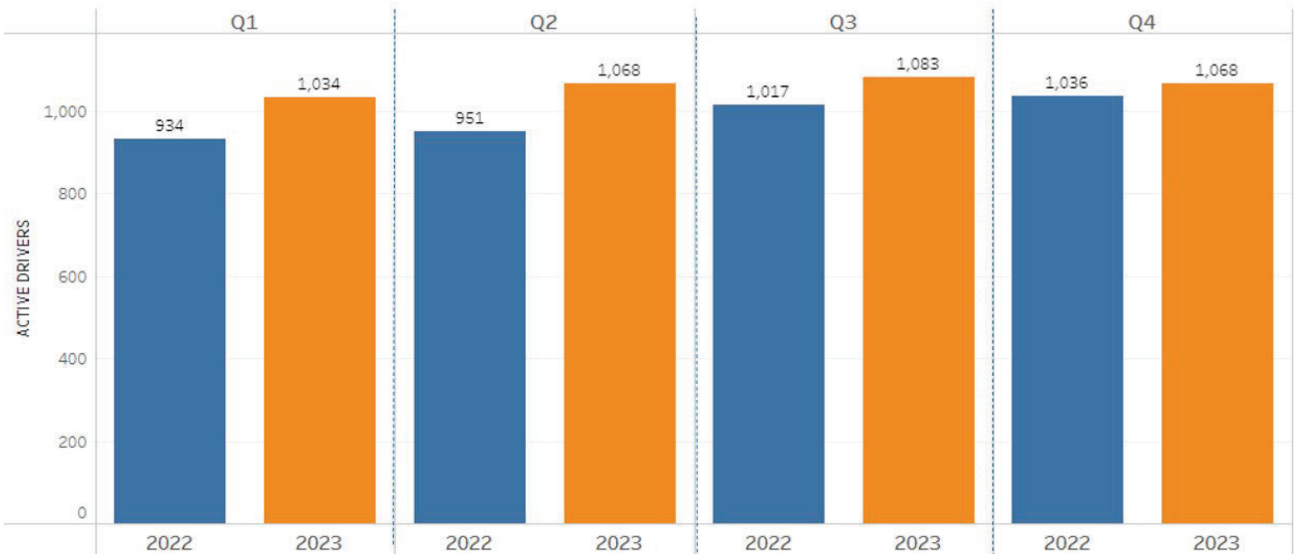
QUARTER 4 RESULTS FOR GOAL 5

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 Q4 of the Pilot was 1,068, a

3.1% increase from the number of active drivers over the same three-month period during the previous year (1,036).

Figure 9: Active Drivers per Quarter Q1 – Q4 compared to the same periods from the previous year



To understand the impact of the Pilot on the active driver trends and based on taxi industry feedback, the SFMTA analyzed the changes in active drivers at the three largest color schemes – Flywheel, Yellow Cab, and SF Taxi. Flywheel is the only color scheme of those three that participates in the Pilot. During Q4, Flywheel Color Scheme experienced the biggest increase in active drivers as compared to the same period during the prior year:

- Flywheel Taxi = 31.0% increase (from 255 to 334)
- Yellow Cab = 4.8% increase (from 396 to 415)
- San Francisco Taxicab = 18.4% increase (from 136 to 161)

Comparing active drivers in year one of the Pilot (Dec 2022-Nov 2023) to the same period of previous year, Flywheel color scheme also shows a dramatic increase:

- Flywheel Taxi = 75.5% increase (from 335 to 588)
- Yellow Cab = 8.2% increase (from 514 to 556)
- San Francisco Taxicab = 19.3% increase (from 171 to 204)

Metric 5B: Increase the number of new taxi drivers

The number of new taxi drivers has increased year over year, per Table 6 below. The number of new taxi drivers entering the industry increased dramatically in 2022, and the trend continued through 2023. The SFMTA issued 47% more permits (A-Cards) to new taxi drivers in 2023 as compared to 2022.

Table 7: New Taxi Drivers by Calendar Year

Year	2018	2019	2020	2021	2022	2023
New Taxi Drivers	43	33	23	22	135	199

The number of new drivers in Q4 decreased from the same period of the prior year, but an overall analysis of the number of new drivers entering the SF taxi industry during the first year of the Pilot indicates a 71% increase.

Table 8: New Taxi Drivers Q1 - Q3 compared to the same periods from previous year

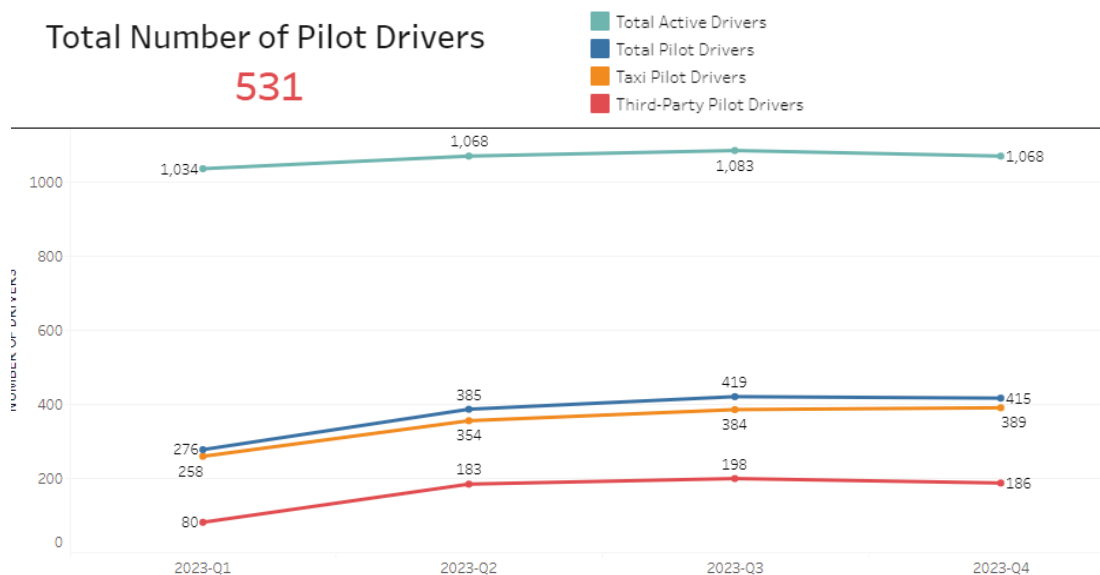
	Before Pilot (Dec 2021 – Feb 2022)	Q1 of Pilot (Dec 2022 – Feb 2023)	Before Pilot (March - May 2022)	Q2 of Pilot (March - May 2023)	Before Pilot (June – Aug 2022)	Q3 of Pilot (June – Aug 2023)	Before Pilot (Sept– Nov 2022)	Q4 of Pilot (Sept– Nov 2023)
Total	11	65	18	52	38	59*	58	38

*Note: Corrected number of drivers in Q3 2023 from 58 to 59

Metric 5C: Number of drivers participating in the Pilot

In the first year of the Pilot, 531 drivers participated by providing at least one Taxi Pilot or Third-Party Pilot Trip. 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 Q1 (276) to Q4 (415).

Figure 10: Driver Participation in the Pilot Q1 – 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.

QUARTER 4 RESULTS FOR GOAL 6

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

During Q4 of the Pilot, the average upfront fare (\$14.49) was 4.6% below the estimated average Taximeter fare (\$15.18), 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
Q1	\$13.01	\$13.53	-3.80%
Q2	\$14.22	\$14.83	-4.10%
Q3	\$13.85	\$14.45	-4.10%
Q4	\$14.49	\$15.18	-4.60%

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 the first year of the Pilot, the average Third-Party fare was 89% of 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

Reflecting on the inaugural year of the Pilot, our assessment indicates a series of positive outcomes, ongoing progress, and momentum. 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. Pilot trips have increased from Q1 to Q4, although the total number of taxi trips has remained relatively flat during year one of the Pilot as compared to the same period last year. The SFMTA had expected total taxi trips to continue to rebound in the post-pandemic period, but that has not been the case thus far. The addition of Third-Party Pilot trips has provided an important new stream of taxi trips to help supplement 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.

In September 2023, the [SFMTA Board extended the Taxi Upfront Fare Pilot](#) (Pilot) term to June 30, 2025. The extended term of the Pilot provides more time for the service to ramp up, for more participants to participate in the Pilot, and for staff to measure and analyze Pilot outcomes. Staff will be able to conduct year-over-year comparisons to evaluate any changes in the Pilot's effectiveness within the Pilot term.

Additionally, in the interest of increasing on-demand Wheelchair Accessible Vehicle (WAV) transportation, the SFMTA is exploring the possibility of including Third-Party WAV Trips in the Pilot. Potential changes have been discussed with the taxi industry and disability community, and any proposed policy would need to be approved by the California Public Utilities Commission (CPUC).

Furthermore, the SFMTA is contemplating updating 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. Additionally, since 2014, the SFMTA has reduced or waived taxi-related fees, saving the industry an estimated \$13.8M. The SFMTA will continue to explore new opportunities to support a thriving taxi industry in San Francisco throughout the Pilot and beyond.