

THIS PRINT COVERS CALENDAR ITEM NO.: 10.3

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Taxis, Access & Mobility Services

BRIEF DESCRIPTION:

Amending Transportation Code, Division II, Section 1124 to allow the pass-through amount that a taxicab driver may charge passengers for taxicab trips originating at San Francisco International Airport to be 100% of the access fee imposed by San Francisco International Airport.



SUMMARY:

- San Francisco taxicabs may charge their passengers only those access fees and surcharges that are specified in the San Francisco Transportation Code.
- The San Francisco International Airport (SFO) currently requires taxi drivers to pay a \$4.50 Ground Transportation Access Fee each time they enter SFO for the purpose of picking up a passenger, and the Transportation Code allows drivers to recoup \$4.00 of that access fee from their passengers whose trips originate at SFO.
- In June 2021, the SFO Commission increased the Access Fee to \$5.50, effective July 1, 2021.
- To alleviate this additional cost burden to taxicab drivers that service customers at SFO, the SFMTA proposes the pass-through amount that a taxicab driver may charge a passenger for taxicab trips originating at SFO to be 100% of the SFO Access Fee.

ENCLOSURES:

1. SFMTAB Resolution
2. Transportation Code Amendments

APPROVALS:

	DATE
DIRECTOR 	<u>July 13, 2021</u>
SECRETARY 	<u>July 13, 2021</u>

ASSIGNED SFMTAB CALENDAR DATE: July 20, 2021

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PURPOSE

Amending Transportation Code, Division II, Section 1124 to allow the pass-through amount that a taxicab driver may charge passengers for taxicab trips originating at San Francisco International Airport to be 100% of the SFO access fee.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

The item will support the following goals and objectives of the SFMTA Strategic Plan:

Goal 1: Create a safer transportation experience for everyone.

Goal 2: Make transit, walking, bicycling, taxi, ridesharing, and carsharing the preferred means of travel.

Objective 2.1: Improve customer service and communications.

Objective 2.3: Increase use of all non-private auto modes.

Goal 3: Improve the environment and quality of life in San Francisco.

Objective 3.2: Increase the transportation system's positive impact to the economy.

Objective 3.4: Deliver services efficiently.

Goal 4: Create a workplace that delivers outstanding service.

Objective 4.4: Improve relationships and partnerships with our stakeholders.

This item will support the following Transit First Policy Principles:

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.
2. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.

DESCRIPTION

In June 2021, the SFO Commission approved an increase in the Ground Transportation Access fee (access fee) that San Francisco taxicab drivers are charged from \$4.50 to \$5.50, effective July 1, 2021. Currently, taxicab drivers are permitted to pass through \$4.00 of the access fee for trips originating at SFO. The SFMTA, with the support of SFO, would like to increase the amount that taxicab drivers can pass-through to passengers to 100% of the access fee.

BACKGROUND:

Since fiscal year 2019-20, the access fee has been \$4.50. Currently, taxicab drivers are allowed to pass through \$4.00 of the \$4.50 access fee to the passenger picked up at SFO. Therefore, a passenger with a trip originating at SFO is currently charged a \$4.00 pass-through amount in

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addition to the metered fare. On June 1, 2021, the SFO Commission approved Resolution 21-0129, which required an increase in the Ground Transportation Access Fee for taxis to \$5.50. The effective date of the increase to the access fee was July 1, 2021.

Ground Transportation Access Fees at SFO are set using a cost-recovery model. SFO spends a considerable amount to operate the ground transportation system, including roadway construction, maintenance, staff cost, technology costs and other expenses. Costs are allocated to commercial ground transportation providers in proportion to total projected vehicle trips to SFO. For fiscal year 2020-21, due to the global pandemic and uncertainties facing all operators at the Airport resulting from the downturn in traffic, SFO opted not to adjust fees. For fiscal year 2021-22, as passenger traffic returns, SFO thoughtfully considered rates and charges for all tenants and permittees. Even after adjusting costs to reflect savings from reduced staffing and postponed projects, the \$1.00 fee increase effective July 1, 2021 applicable to taxis only brings SFO to an estimated 50% cost recovery.

SFO and the SFMTA recognize that the increase in the access fee from \$4.50 to \$5.50 introduces an additional cost burden to an already overburdened industry. In light of this additional cost burden, the SFMTA, with SFO's support, is proposing to allow taxicab drivers to pass the entire access fee through to the customer. Shifting the allowable pass-through amount from a dollar amount to the full percentage of the access fee will streamline the process moving forward and allow for drivers to pass through the full amount of the access fee if SFO elects to increase or decrease the access fee in the future.

While the \$5.50 access fee has been in effect since July 1, 2021, SFO has not yet charged the increased amount, as it wanted to give the SFMTA Board an opportunity to consider allowing taxicab drivers to pass 100% of the access fee to the passengers. The effective date of the fee increase will be either the 15th day after the SFMTA Board approves the 100% pass-through or September 1, 2021, whichever comes first.

Staff is now requesting that the SFMTA Board allow taxicab drivers to pass through 100% of the access fee charged to taxicab drivers for trips originating at SFO.

Other ground transportation modes at SFO including Limousines, Transportation Network Companies (TNCs) and Shuttle buses also incur access fees. In many cases, these other transportation providers pass the entire access fee on to their passengers.

It should also be noted that the airport access fee charged to taxicab customers only applies to pick-ups at SFO and does not apply to customers being dropped off at SFO. Limousines and TNCs currently pay an airport access fee of \$4.50 for both the drop off and pick up.

Staff is requesting that the pass-through amount under Section 1124 of the Transportation Code be changed from \$4.50 to 100% of the access fee imposed by SFO. Staff recommends this change to reduce costs for taxi drivers that service SFO.

STAKEHOLDER ENGAGEMENT

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In a continuing effort to remain open and transparent to the industry, staff discussed and elicited feedback related to these legislative changes at meetings, including weekly Color Scheme meetings and an industry-wide online meeting on May 26, 2021. It is anticipated that this measure will provide relief to drivers that use SFO by lowering their costs.

ALTERNATIVES CONSIDERED

Staff considered not changing the pass-through amount that can be charged to the customer and allowing taxi drivers to bear the full cost of the access fee increase. There was also discussion with taxi drivers of allowing passengers to absorb the full cost. Ultimately, staff decided to propose that the entire access fee to be passed through to the customer.

FUNDING IMPACT

This will have no impact on SFMTA revenue.

ENVIRONMENTAL REVIEW

On June 24, 2021, the SFMTA, under authority delegated by the Planning Department, determined that the amendment to Transportation Code Section 1124 of Division II, Article 1100, changing the San Francisco International Airport Taxi Trip Fee Pass-Through is not a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

Article 4, Section 10 of the SFMTA Board of Directors Rules of Order requires publication of notice in the official newspaper of the City and County before adoption or revision of any schedule of rates, charges, fares fees or fines. Accordingly, SFMTA published a notice in the San Francisco Examiner, from July 4 to July 11, 2021, that the Board would consider approving an increase in the amount that a taxicab driver may charge passengers for taxi trips originating at SFO at its meeting on July 20, 2021.

The City Attorney has reviewed this calendar item.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors amend Transportation Code, Division II, Section 1124 to allow the pass-through amount that a taxicab driver may charge passengers for taxicab trips originating at San Francisco International Airport to be 100% of the SFO access fee.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, San Francisco taxicabs may charge their passengers only those access fees and surcharges that are specified in the San Francisco Transportation Code; and,

WHEREAS, San Francisco International Airport (SFO) currently requires taxi drivers to pay a \$4.50 Ground Transportation Access Fee each time they enter SFO; and,

WHEREAS, The Transportation Code allows taxicab drivers to recoup \$4.00 of the SFO Ground Transportation Access Fee from their passengers whose trips originate at SFO; and,

WHEREAS, In May 2021, the SFO Commission increased the Ground Transportation Access Fee from \$4.50 to \$5.50, effective July 1, 2021; and,

WHEREAS, To alleviate this additional cost burden to taxicab drivers that service SFO, the SFMTA proposes increasing the pass through amount that a taxicab driver may charge a passenger for taxicab trips originating at SFO to equal 100% of the Ground Transportation Access Fee; and,

WHEREAS, On June 24, 2021 the SFMTA, under authority delegated by the Planning Department, determined that amending the Transportation Code Section 1124 of Division II, Article 1100, to change the San Francisco International Airport Taxi Trip Fee Pass-Through is not a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference; now, therefore be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors amend Transportation Code, Division II, Section 1124 to allow the pass-through amount that a taxicab driver may charge passengers for taxicab trips originating at San Francisco International Airport to equal 100% of the SFO Ground Transportation Access Fee.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of July 20, 2021.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

[Transportation Code - Taxi Fares and Fees; Gate Fees.]

Resolution authorizing taxicab drivers to collect 100% of the San Francisco Airport trip fee from the passenger.

NOTE: Additions are single-underline Times New Roman;
deletions are ~~strike-through Times New Roman~~.

The Municipal Transportation Agency Board of Directors of the City and County of San Francisco enacts the following regulations:

Section 1. Article 1100 of Division II of the Transportation Code is hereby amended by revising Section 1124, to read as follows:

SEC. 1124. TAXI FARES AND FEES; GATE FEES.

(a) **Setting Rates of Fare and Gate Fees.** At least every other fiscal year, the SFMTA Board shall hold a hearing to determine, in its sole discretion, whether the rates of fare and cap on gate fees then in effect should be increased, decreased, or remain unchanged.

* * * *

(c) **Taxi Fees in Addition to Fares.** Except as otherwise authorized by Section 1124(b)(2) or (b)(3), a Driver or Color Scheme must charge a passenger the fare displayed on the Taximeter, and may charge any of the additional fees set forth below, if applicable.

(1) **Airport Fee.** For taxicab trips originating at San Francisco International Airport that incur an airport trip fee, the taxicab driver may collect 100% ~~\$4.00~~ of that trip fee from the passenger upon receipt of cab fare from the passenger.

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Section 2. Effective Date. This ordinance shall become effective 31 days after enactment. Enactment occurs when the San Francisco Municipal Transportation Agency Board of Directors approves this ordinance.

Section 3. Scope of Ordinance. In enacting this ordinance, the San Francisco Municipal Transportation Agency Board of Directors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, letters, punctuation marks, charts, diagrams, or any other constituent parts of the Transportation Code that are explicitly shown in this ordinance as additions or deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
STEPHANIE STUART
Deputy City Attorney

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I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of July 20, 2021.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency