



SFMTA
Municipal
Transportation
Agency

PFM/Schaller Report: Evaluation and Recommendations to Improve the Health of the Taxi Industry in San Francisco

Finance and Administration Committee

June 20, 2018

The Important Role of the Taxi Industry

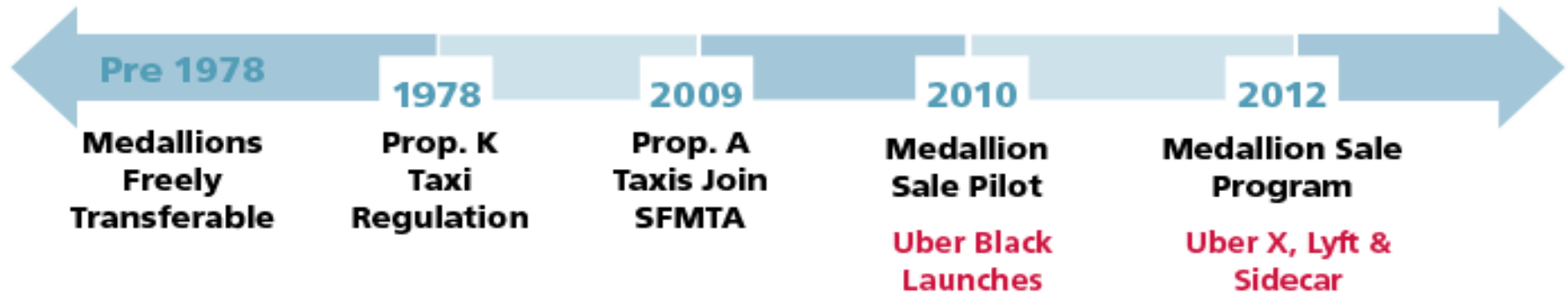
- Street hail service
- High level of safety requirements
 - Fingerprint background check
 - Drug and alcohol test
 - Complaint investigation and due process
 - Professional drivers
- Clean fleet: 95% clean air vehicles
- Equity
 - Safety Net Service
 - Required to serve all neighborhoods
 - Does not require smart phone or credit card
 - Regulated fares
 - Serves seniors and people with disabilities

SFMTA's regulatory framework should allow the taxi industry to innovate and compete, while maintaining a core focus on safety and consumer protection



SF Taxi Industry: Quick Snapshot

- 24 taxi companies
- 8 dispatch services
- 1,530 medallions in service
- 4,824 active drivers



Pre-K Corporate (84)

- Held by corporations
- Nominal cost
- No driving requirement
- Can hold more than one

Pre-K (180)

- Held by individuals
- Nominal cost
- No driving requirement
- Can hold more than one

Post-K Earned (577)

- No cost
- Non-transferable
- Issued based on seniority on waiting list
- Must be taxi driver
- Can only hold one medallion
- Driving requirement

Purchased (599)

- Purchased for \$250,000
- Can only hold one medallion
- Driving Requirement
- Transferable through the Medallion Sale Program

Ramp (42)

- Wheelchair accessible

8000 Series (7)

- Leased to color schemes by SFMTA

“S” Series (41)

- Pilot program ending in 8/18

SFMTA Efforts to Level the Playing Field

- On-going regulatory review and reform
 - Streamline new driver on-boarding
 - Update vehicle age and mileage requirements
 - Eliminated shift change requirement
 - Eliminated SF business location requirement
- Reduced and eliminated fee revenues by approximately \$9.5M
- Support ramp taxi incentives
- Participate in TNC rulemaking – 30+ briefs submitted to CPUC

PFM/Schaller Report

- PFM/Schaller Consulting retained to review the current health of the industry and to recommend potential regulatory changes



Key PFM/Schaller Findings

- **Underutilization of taxi medallions.** Only 17 percent of medallions earn a level of income that is financially sustainable
- **Driver shortage.** There has been a major decline in active taxi drivers
- **Severe Financial Pressure on Purchased Medallion holders.** Invested the most and earn the least
- **Widespread leasing of purchased and Prop-K Earned medallions.** Medallion holders are not the primary driver of taxis
- **Aging profile of medallion holders.** The average age of Prop-K Earned medallion holder is over 60

PFM/Schaller Recommendation 1: Full Service Color Schemes

- Offer the public a smartphone app
- Operate a dispatch system
- Manage trip dispatching at SFO, most likely through the app (replacing long waits in the taxi hold)
- Operate wheelchair accessible taxicabs
- Set the rate of fare for all taxis operated out of that color scheme (subject to SFMTA maximum fare)
- Train drivers, including classroom training, ride-alongs and mentor programs



PFM/Schaller Recommendation 2: Right Size the Market

- Balance fleet size and trip volumes:
 - Recall Corporate Medallions (84)
 - Recall Pre-K Medallions (180)
 - Recall non-operational Medallions (~200)
- Assess future needs of Full Service Color Schemes for ability to flex fleet as needed (i.e. expand fleet based on growth of ridership)



PFM/Schaller Recommendation 3: Create Sustainable Accessible Taxi Program

- Expand existing Ramp Taxi Incentive Program to fund the purchase, maintenance and operation of wheelchair accessible taxis

Ramp Taxi Incentive Program

Existing:

- \$10 per trip incentive for every paratransit wheelchair trip completed
- For every two paratransit wheelchair pick-ups completed in the outlying neighborhoods, ramp taxi drivers can earn one Airport Short Pass

New:

- Up to \$300 per month to help pay for the cost of a new wheelchair accessible vehicle
- \$300 per month to help pay for the maintenance and operating cost



SFMTA Policy Goals

- Ensure regulations allow the industry to innovate and compete, while maintaining focus on public safety and consumer protection
- Support the Medallion Program
 - Relieve financial pressure for Purchased Medallion Holders
- Support Accessible Ramp Taxi Program
- Enhance Customer Service

Taxi Industry Outreach

- Taxi Town Hall Meetings
 - May 7, 10:00am-12:00 noon, City Hall Room 400
 - May 14, 12:30pm-2:30pm, City Hall Room 400
 - May 23, 2:00pm-4:00pm, City Hall Room 400
 - June 18, 2:00pm-4:00pm, City Hall Room 416
- Taxi Task Force meets monthly
- Accepting comments via email: sftaxi@sfmta.com

Develop regulatory reform package based on PFM/Schaller report & taxi industry feedback