



San Francisco Taxi Workers Alliance

August 1, 2022

Kate Toran
Director of Taxis, Access & Mobility Services
San Francisco Municipal Transportation Agency
One South Van Ness
San Francisco, CA 94103

Re: Taxi Meter Increase

Dear Director Toran:

The San Francisco Taxi Workers Alliance wishes to share with you the results of our recent discussions on the subject of a taxi meter increase. Although we have not come to a final position on the matter, this letter summarizes our thinking to date.

As you are aware, taxi meter rates were last increased in 2011 -- over a decade ago. According to research conducted by one of our members, from June 2011 to June 2022, the Consumer Price Index went up by 41%. From January 2011 to July 2022, San Francisco's minimum wage increased by 72%. Median income for individuals in San Francisco has increased 51.3% and for households, 63.3% from 2011 to 2022. Gas prices are up 51% from July 18, 2011 to July 18, 2022. (We can furnish the sources for these statistics upon request.) In addition, Uber was hardly a factor in 2011, and Lyft had yet to exist.

We have conducted a survey of drivers on the subject of a meter increase and have found the idea has substantial support. A majority of drivers (75%) favored an increase of some kind, either an increase in all three components of meter rates (flag drop, distance and waiting time), an increase to the flag drop only, or a temporary gas surcharge. Of those who favored an increase, over 50% preferred an across-the-board increase in flag drop, distance and time. Some drivers expressed concerns that it would lead to an increase in lease fees. Lease fees have gone up significantly in recent months, and further increases could deprive drivers of most or all of the benefits of a higher meter rate.

Based purely on the economic indicators described above, a meter increase of 40-50% would be amply justified. We are aware, however, that a raise of that size would likely be viewed as excessive, and could prove counterproductive. We propose, therefore, a much smaller increase, coupled with periodic reviews to determine if further increases are warranted. We have not settled on the precise amount of the proposed increase, but we believe it should be in the following range:

- an increase in the flag drop of 40-65 cents, to \$3.95-\$4.20.
- an increase in time and distance rates of 5 to 10 cents, to 60-65 cents for each 1/5th mile and each minute of waiting time.

Because enactment of a meter increase will likely take some time, we also propose the following:

- a temporary fuel surcharge of \$1-3 a ride, depending on trip distance, pending approval of a permanent meter increase on the full fare. (See below.)

We further propose that the following measures be taken:

- To establish that the meter increase is solidly grounded upon past and present economic conditions for taxi drivers and the taxi industry, we ask that the Controller's Office conduct a study of taxi rates, as it has routinely done in the past.
- To ensure that company charges to drivers do not consume the additional revenues to be expected from a meter increase, we ask that the current gate fee cap be reviewed, and caps be placed on all fees drivers pay to cab companies or to other drivers, including daily, weekly and monthly leases, and affiliate charges to owner-operator drivers.
- Because a meter increase will necessarily boost paratransit passengers' costs, we request a proportional increase in the monthly allowance for paratransit and ETC trips.
- Going forward, we ask that there be an annual review of meter rates so that periodic adjustments may be made as warranted.

We urge that the approval process take place as expeditiously as possible. If, however, an increase will not be enacted by early September, as an interim measure, we request quick approval of a temporary fuel surcharge. We suggest a surcharge similar to the one currently under consideration in Chicago. The proposed charge is \$1 for a fare up to \$20; \$2 for a fare of \$20.01 to \$40; and \$3 for a fare greater than \$40. This tiered charge would be more equitable for drivers who primarily serve the airport, as they may only have a small number of rides a day. We request that this measure be calendared for the September 6 meeting of the Board of Directors, so it can go into effect in early October.

We urge you to give these ideas your most serious consideration. Eleven years is a long time to wait for a raise.

Yours sincerely,

Evelyn Engel
Executive Board Member, Secretary
San Francisco Taxi Workers Alliance

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