

# Making Taxi Service Work in San Francisco

While the San Francisco economy had been experiencing a boom likened to the second Gold Rush, complaints about lack of availability of cabs had never been higher. By the time of publication of this study, the economy had considerably cooled, and international events had had an additional chilly effect on San Francisco's (and the world's) visitor travel, and consequent use of cabs. Key problems included poor availability and reliability of cabs, lack of incentive to increase ridership, and absence of any objective process for setting taxi numbers.

Nelson\Nygaard was retained to:

Identify, evaluate and recommend the most promising measures to decrease mode share of single-occupant automobiles by increasing mode share of taxis in San Francisco.

Evaluate the taxi system as a critical element of the transportation and public transit systems in San Francisco.

Recommend initiatives to increase the availability, reliability, customer service and efficiency of the taxi system in San Francisco.

Three core recommendations were provided to alter the structure of San Francisco's taxi system:

1. Split the "meter"—Rather than deriving revenue by leasing vehicles to drivers through a flat fee per shift, firms should receive a share of fare revenue.
2. Allow firms to grow based on performance—A firm's ability to expand through taking in new medallion holders should be made conditional on meeting performance targets for availability.
3. Depoliticize the process of setting cab numbers—Rather than being set by who screams the loudest, taxi numbers should be determined by availability. If availability targets are not being met, more medallions should be automatically issued.



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