

November 8, 2024

Permitted SJC Taxicab Operators
City of San Jose

Dear Taxicab Operators:

The City of San José wishes to express its support in adjusting the taxicab fare to keep in line with changing conditions and higher industry costs. Per the San José Municipal Code 6.64.250, the Department of Transportation and Police Department have the authority to regulate taxicab rates and charges. The Department of Transportation is proposing to adjust the taxicab fare rate from a fixed fee schedule to a maximum fee cap structure. The Department of Transportation is proposing to adjust the citywide taxicab fare schedule to the following maximum fare rates:

Flag Drop	\$ / Mile	\$ / Min Wait Time
\$14.00	\$4.50	\$2.00

¹ The listed fares are a maximum cap of which operators are not to exceed.

Taxicab rates were last adjusted in 2009. CPI data shows an increase of 155% between October 2009 (CPI of 226.051) and August 2024 (CPI of 349.29). Over that same period, fuel prices have increased from \$3.067/gal in California on average to \$4.791/gal, a 156% increase. In comparison to other local citywide rates, San José is the only City proposing a fee structure with a maximum cap instead of a fixed rate schedule:

City	Flag Drop	\$ / Mile	\$ / Min Wait Time
Oakland	\$3.20	\$2.90	\$0.48
San Francisco	\$4.15	\$3.25	\$0.65
San José ¹	\$14.00	\$5.00	\$2.00

¹ The listed fares are a maximum cap of which operators are not to exceed.

Additional input from taxicab operators indicates that shorter trips (≤3 mile) are becoming economically challenging as fare rates have not kept up with industry costs. Although taxicabs are not required to accept all fares, there remains a risk that shorter trips become priced out and operators elect to discontinue shorter rides rather than lose money on short fares.

The City believes it is in the best interest of San José residents and customers to maintain affordable taxicab service throughout the city, but also agrees with the operators that sufficient data and justification exist to warrant an adjustment to the citywide rate.

Sincerely,



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Cc: John Ristow – Director, Department of Transportation, City of San Jose