



April 24, 2017

The Honorable Andrew M. Cuomo  
Governor of New York State  
NYS State Capitol Building  
Albany, NY 12224

Re: Intervention Requested—NYC Medallion Market Requires Immediate Assistance

Dear Governor Cuomo:

We represent the over 6,000 immigrant medallion owners who have been betrayed and their investments decimated by the actions and inactions of New York City (NYC) government. At the same time, we have followed with great interest the actions of state government regarding the expansion of Uber in upstate New York—actions that you supported because you felt strongly that they were in the public interest.

While we might differ with you in that regard, the very different environment in NYC suggests the need for a very different course of action. Here, in an environment where the legitimate interests of taxi medallion owners has been undermined by the callous disregard of elected officials, your intervention is needed in order to restore fairness and help to recreate a level playing field for those whose rights have been subverted through official malfeasance and nonfeasance.

Put simply, the taxi industry is in free fall and these medallion owners are facing the loss of their hard-earned investment because of the failure of NYC regulators to fulfill their statutory duty to protect the value of taxi medallions that the City itself established 80 years ago. The Haas Act, passed in 1937, created the medallion and a regulatory system designed to protect the value of the medallion, and created a level playing field for both the medallion owners and the overall public interest.<sup>1</sup>

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<sup>1</sup> History, Regulation and Prosperity, New York City (last visited April 24, 2017), [http://www.nyc.gov/html/media/totweb/taxioftomorrow\\_history\\_regulationandprosperity.html](http://www.nyc.gov/html/media/totweb/taxioftomorrow_history_regulationandprosperity.html).

As a result of the collapse of the regulatory system, taxi medallion foreclosures have reached new and alarming heights—and the value of the medallion has plummeted over 70% in a little over three years. We are reaching a situation—on a smaller scale—not unlike what this country faced in 2008 with the housing bubble. And just like then, when the banks were bailed out and the homeowners squashed like insects, we are seeing the banks and credit unions angling for multi-billion dollar bailouts as medallion owners struggle to preserve what they achieved through a lifetime of hard work.<sup>2</sup>

Much of the reason for this catastrophe has been attributed to the influx of Uber and its imitators; and the creation of a hyper-competitive environment. This is, at best a half truth.

Yes, the unchecked growth of these e-hail cars for hire has dramatically altered the nature of the taxi industry. But attention needs to be paid to the key word: unchecked. The proliferation of Uber and other like vehicles has grown the number of cars for hire in NYC from 40,000 to 107,000 in just over a three year period. The number of taxis-fixed by law at a little over 13,000- has remained the same.<sup>3</sup>

In opposition to anyone's idea of the public interest, the City of New York has permitted tens of thousands of cars to directly compete against taxis-illegally usurping their exclusive right to on-demand street hailing. Making a bad situation worse, these new "competitors" have not been made to comply with a majority of the rules and obligations that the city and state have mandated for taxis.

For instance, the over 70,000 Ubers and its imitators currently congesting NYC streets, do not pay a dime into the MTA's mass transit fund-free riders while their taxi competitors help to foot the bill for subway and bus riders through a 50 cent contribution for each ride. In addition, taxis are mandated by law to provide accessible vehicles for people with disabilities while their competitors have no such requirement.

The City's egregious failure to protect and defend a medallion system that it itself created is further underscored by the fact that rampant lawlessness-in the form of illegal street hails and other violations at major city destinations-has generated a race to the bottom where it has become impossible for medallion owners to maintain payments on the investments they have made in their taxi medallions.

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<sup>2</sup> Amena Walker, *Uber is Driving Down Value of NYC's Yellow Cab Medallions*, Curbed (April 5, 2017), <http://ny.curbed.com/2017/4/5/15197500/uber-nyc-yellow-cab-medallion-value-declining>.

<sup>3</sup> Dana Rubenstein, *Medallion Owner Group Demands Resignation of Commissioner*, Politico (April 20, 2017), <https://www.politicopro.com/states/new-york/city-hall/story/2017/04/20/medallion-owner-group-demands-resignation-of-taxi-commissioner-111410>.

Given these dire circumstances we are requesting that you call an emergency meeting in order to address the following:

- (1) A temporary moratorium on all medallion foreclosures;
- (2) The promulgation of a NY State backed distressed assets relief plan to prevent the thousands of immigrant medallion owners from financial ruin, and;
- (3) The convening of a State and NYC emergency task force to devise a regulatory fairness scheme that will restore balance to the taxi market in NYC and, at the same time, relieve congestion and promote public safety on city streets that have become impassable as a result of the inaction of city government.

We will be massing, with 1,000 strong, at City Hall next week to alert the city to a catastrophe that-with your help-can be averted. We ask for this help with the strong belief that-just like upstate New Yorkers-we deserve the help of the government that we have helped to fund so generously over the last 80 years.

Sincerely,

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Sohan Gill, President  
Taxi Medallion Owners &  
Drivers Association  
132-22 Rockaway Boulevard,  
Queens, NY 11420

Encl.: Member Signatures Page

Member Signatures on Behalf of All Owners:

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Sergio Cabrera

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Satwinder Singh

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Carolyn Protz

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Gloria Guerra

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Nino Hervias

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Ricky Gill

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Gabriel Salem

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Alex Martinez

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Dan Nitescu

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Nixon Jeanpierre