

## Medallion Problem- A Simple Solution

by Abe Mittleman

In 1937 the Haas Act became law in the City of N.Y. This law was implemented due to the fact that there were too many taxis looking for fares. This made it impossible for anyone driving a taxi to make a living. The solution was to limit the number of taxis to both what was needed to serve the public and help the drivers earn a living wage. Thus, the Medallion System was born. This system worked well for many years and the service was available in all of the boroughs of The City of N. Y.

Many things have changed in the 82 years since. In that time period the need for taxi service grew greatly, especially in the Central Business District (CBD) of Manhattan comprising of East and West 96<sup>th</sup> Street south to the Battery in the Financial District. Medallion taxis had reached a point several decades ago where most of the service provided centered around this area of the city.

During the 1980's many people found it very difficult to hail a taxi in the CBD due to the pre-arranged calls that were being serviced by Medallion taxis. Mayor Koch wanted to issue more Medallion Taxis but the industry would not allow it. Politics got in the way. As a result Radio Calls were removed from the taxis and Radio Groups transferred the prearranged calls to Black Cars. The black cars would now do the radio work and the Medallion taxis would do the street hails. This solved the problem in the CBD. But the need for taxi service in the boroughs was not being satisfied.

This led to thousands of what were known as "Gypsy Taxis" that had sprung up over the years joining radio groups. This made them legal. Since they did not have a medallion they needed to be For Hire Vehicles (FHV) by prearrangement. But this setup was only a charade. There were thousands daily in these locations doing calls by street hails because there were not enough Medallion Taxis to service both the CBD and the outer locations of the city.

In 2011 the Green Taxis came to be. This idea would legalize the FHVs in the outer boroughs to do both prearranged and street hails for a small permit fee. These cars were restricted from doing business in the CBD, except for delivering passengers that were taken there from other parts of the city. The CBD would be known as the "Exclusionary Zone" as per that only Medallion Taxis had the right to work this location. Many of the FHVs bought in while many rebelled and continued to do street hails. They continue to this day and many are summonsed for this offense. It should also be noted that Uber and Lyft did not only flood the "Exclusionary Zone" but they also did the same in the areas where Green Cars and other FHVs were working. Many of these FHVs also have adopted the Uber and Lyft apps.

Then in 2013 App arranged trips, a new technology was introduced. Uber and Lyft began to flood the CBD now known as the "Exclusionary Zone" with their cars. They had used a loophole in the law and began invading this "Exclusionary Zone" as Black Cars doing prearranged work. They were picking up Street Hails using their App and calling it prearranged. Despite that the TLC was agreeing with the classification of "Prearranged" in reality this writer and thousands of

others in the industry still to this day do not agree.

The definition of “Prearranged” has never, still to this day, been defined. It was brought up in court at the Melrose Case appeal <http://www.nyctaxinews.com/appeal.mp3> The TLC lawyers testified that it is not about time but about choice of service. Lawyers for Melrose disagreed. Regardless, there is still not a rule or law in writing that can confirm the definition one way or the other..

Common sense would dictate that prearranged is a call made now for a service some time later. This is what it had been before Black Cars were given the Radio Calls. The taxis had the radios and the customers arranged a time to be picked up. A street hail is for now regardless of how it is done, by either holding up your hand or sending a message by phone by voice or app. A passenger is on the street now. So, please come and pick up the passenger now!

So the question still is how do we save the medallion industry and satisfy all who need service.

Here is the solution:

1. Calculate the number of Medallion taxis Green Taxis and FHV's that are needed in all areas of the City of New York
2. Restore the rights and protections that were sold to the Medallion industry.
  - a. All the street hails in the “Exclusionary Zone”
  - b. Street Hails anywhere in the City of New York
  - c. Passengers at the airports will be considered on demand and not prearranged unless a properly defined prearrangement is made with an FHV. How can a passenger at the airports be pre-arranged just by walking out of the terminal and being led to an App car that they have not booked in advance?
3. Sell permits to FHV's that will allow them to do properly defined prearranged trips in the Exclusionary Zone and other parts of the city
4. Sell permits to Green Taxis that will be able to do street hails and prearranged trips only outside of the Exclusionary Zone. They will be permitted to drop passengers off in the Exclusionary Zone but not pick up either by hail or prearrangement in the Exclusionary Zone.

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