

Played for Suckers

Nothing promotes cynicism faster than playing by the rules and getting screwed while rule breakers face no consequences. There are a million taxi stories that illustrate this so I'll bore you with one more. In the 1980s, I recall waiting in the taxi lot at JFK for the early morning flights to arrive, being the fourth or fifth cab on the taxi line at Eastern Airlines Terminal. The flight would come in and one taxi would move for the whole flight. What's going on here, I said to myself. And then I would see guys carrying luggage for passengers taking them to their private cars. They were airport hustlers whose livelihoods depended on stealing customers from yellow taxis who have and had the exclusive right to hail on the street and the two airports.

Occasionally, the Port Authority or the Taxi and Limousine Commission would perform a perfunctory sweep of these thieves. Less than a week later and the hustlers were back again. If there was a particularly egregious situation whereby a tourist would get ripped off or kidnapped, the crackdown would last slightly longer. Airport hustlers were not the only illegal competition for yellow taxis. Gypsy cabs were the other illegal competitors. Industry complaints about the proliferation of gypsy cabs fell on deaf ears for decades as the police and the TLC had bigger fish to fry apparently. The public would chime in stating that things like 5 PM shift change made it impossible to get a yellow cab at afternoon rush hour necessitating the usage of gypsies. You see, the public really only cares about getting from point A to point B. Only in case of an accident does the public have any interest in the insurance or licensing of those gypsies.

The city was willing to auction off 2,000 wheelchair accessible medallions beginning with 400 in 2013 at an upset price of \$850,000. One would surmise that the city had an economic interest in protecting the franchise that was enabling the budget to be balanced. So why is it that almost every time I land at LaGuardia or JFK airport, and head to the taxi stand, I am accosted by an airport hustler. And when pressed further, the hustler says he's not a yellow, "I'll take you in my Uber." And how many times have I been solicited right in front of the TLC taxi dispatcher? About half the time right by the taxi line and half the time it's inside the terminal.

Recently, I landed at Jet Blue at JFK airport. In order to take a yellow taxi at Jet Blue, one must walk with his or her luggage for fifteen minutes due to ongoing construction at the terminal. Signs are well placed giving directions of where the taxi line is. It's quite a hike, and with luggage and children, not the way a tourist or resident would want to end the day after a six-hour flight. But, being stubbornly loyal to the taxi industry, I refuse to open an account with Uber or Lyft. And the area to pick up an Uber or Lyft is right outside the terminal, a minute walk. Incidentally, nowhere on the Port Authority website is there any mention of Uber or Lyft or livery, as they must be ashamed of their politically motivated behavior. So, off my wife and I trudged to the yellow taxi line, up the escalators, on the moving walkways, and down the elevator where we were intercepted by a young man who offered to take us to Long Island. In his Uber, of course. I non-politely declined his generous offer which degenerated into a screaming match followed by the requisite f_k you. We approached the taxi dispatcher and let him know that there was a hustler in his midst. He was reluctant to chase him away until we

asked twice. The taxi driver we got placed with told us he waited 23 minutes for our fare. It was a rainy night to boot.

There are many in the taxi industry that believe that Uber and Lyft et al are illegal service providers, essentially modern-day gypsy cabs. The credit unions' lawsuit against the city was based in part on the premise that an e-hail is similar to the doorman at an apartment building flashing the light, or simply raising one's hand. The similarly situated e-hails also provided the same service once the signal was accepted by the provider. To get the customer from point A to point B. Furthermore, there are rules concerning FHV's and black cars relating to their bases that Uber has never conformed to. So, when you hear the city is considering the Taxi Task Force plan to create a fund of \$500,000,000 to help alleviate the indebtedness of the borrowers, remember a couple of things. The aggregate value of the medallion taxi fleet in December 2013 was \$14,505,700,000 (based on an average \$1,100,000 value) so \$500,000,000 is 3.4 percent of that 2013 value.

And remember that it was the city that enabled Uber to steal your business by not protecting the yellow taxi franchise. Lack of enforcement, regulatory arbitrage and political influence have all combined to destroy an industry and its participants. Nowhere have I seen any politician issue a statement of support for the medallion system. Instead of this ill-considered bailout, reinvigorating the medallion system seems like an obvious solution to the problems of medallion borrowers and a city overwhelmed by congestion.