

Cab Gab

by Abe Mittleman

It's funny but you never know from one day to the next what you are going to be asked to do. I never in my wildest dreams expected to be addressing four Republican New York State Senators from a podium at a hearing. But that is exactly what I did on May 28th.

I became aware of a petition that was initiated by Assemblyman Greg Ball from Putnam County and on the internet. This petition was calling for a forensic audit of the MTA. Just as we feel that we have been wronged by the MTA bail out legislation that was passed by the majority of Democratic senators, Republican senators along with many businesses that will be subjected to the payroll tax feel that they were wronged. They feel that the MTA is not being honest with their finances and they are demanding this audit.

We at Mini Press had gotten in touch with Assemblyman Ball's office to express our desire to have their petition amended to express the concerns of our taxi industry. We wanted to make it clear that the fifty cent surcharge we will be required to charge our passengers and pass along to the MTA was just as unfair as the payroll tax. As such, I was asked to address these Senators.

I didn't have much notice or time to prepare. But, I was anxious to do so. I had received word late in the afternoon the day before and I wouldn't be able to return home to prepare until later that evening. I stayed up late making notes and going over in my mind just what I was going to say. I couldn't sleep. But the next morning, sleep or not, I went to the hearing.

The four Senators were Senator John Flanagan, District 2- Long Island, Senator Vincent Liebell, District 40- Westchester/Putnam/Dutchess counties, Senator Bette Little, District 45-5 counties in the upper eastern portion of New York State and Senator Thomas P. Morahan, District 38, Orange/Rockland counties.

After several business people addressed the Senators, I was called to the podium. I was prepared with my notes. Here are the points I made:

Why MTA Bailout Legislation is Wrong For NYC Taxi Business

1. NYC taxi cabs are a public transportation service that is owned privately by

thousands of owners and drivers.

2. Taxi drivers are not tax collectors. They are now being put in a position to be tax collectors. This is a role they should not be in.

3. If the tax does go into effect, there will be passengers that will reluctantly pay the tax and tip the driver properly because they can afford it and because they feel the driver deserves not to lose money. Also they need the taxi service for one reason or another and have no other choice. This we can't deny.

But in many cases, since passengers have the option of deducting the tax from the tip they would otherwise give to the drivers there certainly will be times when this occurs. In this case the driver will have to pay the tax. So, it's not incorrect to say that those who are presumed to be charged the tax have an option not to pay it and those who are supposed to collect the tax have no other option but to pay it when it is not otherwise collected. This will hurt drivers income. This is not fair.

4. There would be some loss of business due to the extra charge. Any time the price of a service goes up those on the fence of affordability will drop out if they have a choice. One choice they may make is to turn to illegal livery street hails as the demand for a less expensive ride will fuel the already growing black market. This will not only hurt the medallion business but it will compromise the safety of passengers.

5. Although the legislation calls for the local authority to raise the fare to include the extra charge, the TLC has not yet indicated that they will do so. If the TLC fails to do so the tax still has to be paid.

6. The tax limits our ability to raise fares to compensate for our rising expenses, and they are rising. When gas prices peaked at over \$4 a gallon taxi drivers were denied a surcharge to help pay for this rising cost because it was presumed the expense would be a hardship on our passengers and be bad for business. Taxi drivers unfortunately absorbed this expense and made due with reduced income. When the price went down drivers were relieved. Now the price is slowly rising again. How fair is it to be mandated to give a surcharge that should help our drivers to the MTA!? And what about our other expenses, maintenance, insurance and fees to local and state authorities. These fees are rising also. How can we raise our fares to compensate if the MTA is already taking what we need? How much can we charge our passengers and still be solvent?

7. Taxi drivers and owners have to prove their costs have increased and there is hardship before we are allowed to increase our fares. Until the MTA is audited they have not done the same. Yet, they are asking for money from the taxi industry!

8. The assumption that our passengers are all rich people who deserve to be taxed is just not true. Our passengers are just about all New Yorkers from all income levels,

Examples of your average taxi passengers: A waitress or other working people who feels safe in a taxi late at night, some one late for work, someone who must make an appointment on the other side of town and public transportation routes are too inconvenient.

All New Yorkers as well as out of town visitors, in the city for one reason or another, take taxis at one time or another, because they are convenient and affordable. They are not wealthy. Many of them are the same people that ride MTA subways, busses and rail roads. Some of these passengers take MTA to one point and then taxis to complete the trip. To those it is a double tax.

Thirteen thousand taxis average over 40 to 50 trips a day. This is over ½ million trips a day. It's estimated that as many as 800,000 people a day use NYC medallion taxi service. Can all these people be wealthy? Not really!

It's almost as if the MTA is saying if you choose not to use our service then you must pay us anyway. How can this be fair?

As for the rich they of course at times take taxis as all others do, but their basic choice of transportation are limousines!

9. It is estimated that NYC taxi passengers pay approximately \$75,000,000 a year in tolls at the MTA bridges and tunnels. How much more does the MTA want from our passengers? There is talk with in the industry (and we agree) that we should discourage our passengers from taking routes that include these tolled crossings and opt for the free crossings.

10. This tax establishes an unfair precedent. Where does it stop? What if they want more later? What if the MTA later is in the Black. Does the tax stop?

11. Taxi drivers who have no benefits and make less money than MTA workers are being asked to subsidize MTA workers who make more money and have full benefits, such as health care and pensions. If taxi drivers want these benefits they have to buy them. Most taxi drivers can not afford to pay for these benefits.

12. NYC taxi cabs are the only industry included in the legislation.

13. In addition to all the above taxi drivers are subjected to the self employment part of the payroll tax.

I think I did pretty well in getting my points across. It certainly was an experience I will always recall. The atmosphere was friendly. I enjoyed having done this. Will this help our cause? Time will only tell.

I received the following letter dated May 29:

Abe Mittleman
Mini Fleet Association

Dear Abe:

On behalf of the Senate Republican Conference, please accept our sincere appreciation for your participation in the Senate Republican Program roundtable.

My colleagues and I truly appreciated your expertise and candor on how we can partner together to improve the business climate in New York State. Please be assured your input will be included in the package of legislation we are in the process of developing. While some of the proposals will be addressed next session, we are extremely sensitive to the fact we need to act now to prevent an exodus of New York companies.

Should you wish to provide any further comment or offer any additional comment or offer any additional ideas, please do not hesitate to contact me.

Sincerely,

Elizabeth O'C. Little
Senator

Save the Toll Money

We have been encouraging drivers to fight fire with fire. If the MTA is going to burden us with an unfair tax that may wind up costing us our hard earned money then we should fight back by asking our passengers if it would be OK to use other routes rather than paying a \$4.15 toll (that will soon rise) at their bridge and tunnel crossings.

I did exactly that the other day with two passengers going to La Guardia airport from 20th street and the FDR drive. My passengers could not have been more pleased. They said they were in a hurry to catch their flight. I knew I could take the Williamsburg Bridge and get them there in plenty of time and save them the toll. I explained this to them and they agreed. It took exactly 30 minutes to get to the airport. They couldn't be happier. With \$31 on the meter after making two separate drops, each of my passengers needed to go to separate terminals, I was given an \$8.tip.