

Taxi 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 83 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 96th Street and West 110th 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. This is where the service was most needed along with the airports. The demand for these Taxis in these sections made it very difficult for the Medallion Taxis to work in the remote locations of the city.

During the 1980's many people found it very difficult to hail a taxi in the CBD due to the Prearranged 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 outside of the CBD and boroughs was not being satisfied.

This led to thousands of what were known as "Gypsy Taxis" that had been filling the need outside the CBD 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 FHV's 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 FHV's bought in while many rebelled and continued to do Street Hails illegally. They continue to this day and many are summonsed for this offense.

Then in 2013 App arranged trips, a new technology was introduced. Uber and Lyft began to flood the CBD, now know 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. It should also be noted that two biggest App companies, 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 and continue to do street hails without using the Apps.

So, what is Prearranged? How are Prearranged and Street Hails separated by rule or law? The definition of “Prearranged” has never, still to this day, been defined. 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! Millions of dollars has been spent for the right to "Street Hails" for Taxis while nothing has been spent for this right by other segments of the industry, except for a small permit fee by Green Cars to have "Street Hail" rights outside of the "Exclusionary Zone"

The question remains: 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 FHVs that are needed in all areas of the City of New York.
2. Define exactly what Prearranged is and write this into law. This Law should show separation from Street Hails to protect the rights that Medallion Taxis have been sold.
3. Restore the rights and protections that were sold to the Taxi 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 by law Prearrangement is made with an FHV. How can a passenger at an airport be prearranged just by walking out of the terminal and being led to an App car that they have not booked in advance?
4. Sell permits to FHVs that will allow them to do properly defined Prearranged trips in the Exclusionary Zone and other parts of the city.
5. 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 by either hail or prearrangement in the Exclusionary Zone.

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