

Not in Vain  
by Larry Fisher

It was bound to happen. So predictable that it's a minor miracle that it didn't happen more often. The pent-up anger, sense of helplessness, and utter failure versus the knowledge of believing in your heart that you're competent, even expert at what you do, and that you're fundamentally a good, decent person.

Driving for a living is a difficult way to support yourself and your family. Between the traffic, the idiot pedestrians and bike riders, and the passengers in the car, I always used to say that everyone should do it for a day to understand what's really going on in the city and how impossible this job can be. Added on top are the day to day challenges like the administrative issues of insurance, loans, repairs and the NYC Taxi and Limousine Commission.

Some things have gotten better over the 35 plus years I've been involved in this business, and some things worse, but there is no doubt that traffic has peaked at its worst level ever. While the bogus study performed by McKinsey & Co and released in 2016 stated that Uber and Lyft were not responsible for the worsening traffic, it is now acknowledged that the insane expansion of Uber and Lyft is the major reason for our traffic gridlock. Is that because Governor Cuomo sees the TNC's and taxi medallions as an easy mark to fund the MTA through congestion pricing?

The livery, black car business was created to be a base operation that operated by pre-arrangement. The industry served both corporate and consumer clientele with private companies and cooperatives supplying the cars and drivers. The black car industry was mainly created as a result of the Smith Commission which sought to address the problem of scarcity of medallion taxis. The result was that taxis which had two way radios (many installed them as an antidote to high crime of the 70's) would now be able to use non-yellow sedans to service their corporate clients and take the radios out of the yellow taxis. Black car groups sold units or franchises to buyers who obtained financing largely from credit unions. Expansion of each coop was limited due to their members' objections to dilution of the work.

So, for 30 plus years, from the early 1980's until 2010's, the for hire industry had separate segments that had a modicum of crossover, until Uber. The rapid expansion of Uber, financed by venture capital of Wall Street and Silicon Valley has upended the industry. The technology itself was not revolutionary, but the execution of the technology, marketing, and finance was such that the other legacy segments of the industry have suffered.

There are those that say the suffering was well-deserved. Try telling that to the guy who's been driving for Dial for thirty years and making a good living for himself and his family. Or, to the medallion owner who bought one of the city's auctioned wheelchair accessible medallions in 2014 for \$1,000,000 plus. Uber with no regulations and unlimited vehicles comes along and subsidizes each fare using venture capital to undercut fares in a predatory pricing scheme causing damage to all the for hire segments including those who now drive vehicles they purchased to work with Uber or Lyft. Ask any Uber or Lyft driver and they'll tell you the biggest problem is

the lack of work, or too many drivers.

Well, I have a solution. The city wants to reduce traffic. The city also wants to sell the 1,600 medallions they have authorized. I know this because it's in the current budget. There are also many unsold green medallions as well. That totals around 12,000. My proposal is that all providers of car services be required to buy either a yellow or green medallion. Eliminate the black car or livery designation as a segment. If it is deemed necessary to increase the yellow fleet to serve the public, so be it. Community car services would be a political negotiation (carve out) as I'm quite certain that the ethnic neighborhoods would be reluctant to give up their service. They're a tiny segment at this juncture anyway. The problems solved are as follows:

1. Fewer vehicles licensed to operate in Manhattan easing traffic.
2. Re-invigoration of the medallion taxi industries, both yellow and green.
3. Far easier enforcement for police. If a street hail pickup was not by a yellow or green taxi it would be clear to enforcement officers that it was illegal.
4. This does not eliminate Uber and Lyft et al. It integrates them into the existing segments which is what should have occurred in the first place.
5. For the TLC, it reestablishes their ability to control expansion so that our streets don't return to the clogged mess we are currently experiencing.
6. For driver/owners, instead of being an exploited worker for a TNC or a fleet, this creates an opportunity to be a business owner with a future.
7. With stability comes predictability. With predictability will come financing. The ability to finance a medallion or a vehicle will allow the fleet of cars to be replaced continually. Today this is a major problem for all segments as financing has largely gone away unless one is willing to pay usurious rates.
8. Because the yellow taxis are required to be 50% wheelchair accessible, the disabled community benefits because now they get Uber and more availability.
9. As traffic subsides, taxis will be able to serve a greater portion of the public as their ability to move won't be hampered. If trucks could be required to deliver during off hours, that wouldn't hurt either.

As with any plan, there are winners and losers. Even though the government isn't supposed to be in the business of picking winners and losers, they do, whether it be intentional or not. Ask Walmart, who Mayor DeBlasio won't allow in to open stores in the five boroughs. The only loser from my point of view is Uber whose over-expansion is the acknowledged cause of the problems. But Uber is also a corporate bad boy who needs to learn to be a better neighbor and corporate contributor, not a corporate felon. The plan is not a final draft. It needs to be worked on and tweaked, but wouldn't it be fitting if it were named the SCHIFTER PLAN.