

Screwed

I glanced right at the rain trickling down my car window. There was a yellow cab idling next to me. We both sat at the paint that framed Park Row, near the Brooklyn Bridge entrance ramp. It nudged past the white line while our light was still red. Unlike my car, an Uber driven by a 27-year-old guy paying for school to become a copywriter, this car had an experienced driver.

It was a beaten Ford Escape with rectangular stick-on reflectors unevenly taped to the bumper. There was a football-sized indent on the fender. The SUV's dashboard was covered with a vibrant gold and crimson mat. There were a dozen or so trinkets, tilted from endless swaying.

The cab blew through the intersection just before the light turned green. Perfectly timed. The only way to hit a light that well is to look left and watch the pedestrian walk signal tick down to the flashing red hand. The traffic light isn't the real light. The red hand is the real light.

— — —
Sayed

For the fortunate, driving affords time to float in daydream; and for the unfortunate, time to ruminate. From behind the wheel of his '06 Escape, Sayed Bahmani knew both well. His first fare was back in 1986.

He came from Bangladesh with a suitcase of clothes and a piece of paper in-hand. The suitcase's contents bore little significance. But the scribbled piece of paper... that was his guide for America.

new york state department of motor vehicles 168-46 91st ave, jamaica
tlc driver institute 31-00 47th ave, long island city
nyc taxi group 876 mcdonald ave, brooklyn

The plan was simple. Get a drivers license. Take an 80-hour Taxi & Limousine Commission (TLC) driving course. Go to NYC Taxi Group. Lease a cab. Drive. That's what his uncle did. And that's what he would do too.

He rented a modest apartment in Jamaica, Queens and drove until the city felt like home. He drove it all. Three decades of regularly scheduled gridlock, thousands of tank fill-ups, and millions of miles in fares. And through it, Sayed held laser-focus on his end-game; his final stop. A single destination that drove him six days a week.

— — —

The Industry

There are two main players in the taxi industry: The lessee and the lessor. The lessee, the cab driver, leases from the lessor, the medallion owner.

For nearly a century, medallions controlled the taxi industry. They gave yellow cabs, or “King Cab” the right to pick up street hails in Manhattan’s lucrative Exclusionary Zone. Below 96th Street on the East Side and 110th Street on the West Side are where these historically endowed cabbies makes a living. The metallic pentagons, written under seal of the TLC, are located on the hood of the cab, giving it the exclusive legal right to pick up street hails in this strictly protected Zone.

There are roughly 13,000 medallions in New York. The City has been selling them at auction to the public each year since the system was created in 1937. The government-set cap on the number in circulation has kept taxi rates stable for passengers and medallion values appreciating for owners. Since its inception, “the medallion” was seen as a city-backed gold standard. A sure bet during volatile times. And with this backing, King Cab ruled for generations.

— — —

The Dream

Go sit behind the wheel in New York City for an afternoon. It's not for the thin-skinned. Yet 13,000 people do it every day. And all of them are painfully that most of their hard-earned money goes to the medallion owner.

That's why ownership is the dream. A sort of coming-of-age for a cab driver. It takes decades to get there. To finally purchase your own licensed taxi. But more importantly, to lease it out to drivers at a premium: Usually about \$200 per day. Now, someone else can sit in traffic behind the wheel of *your* cab.

Purchasing a medallion is comparable to an employee purchasing a stock option in a company. But rather than investing in the future prosperity of a company, they're investing in the future prosperity of King Cab. Throughout the 20th century, drivers lived a decent, middle-class existence investing in a medallion. Families bought homes in the suburbs, sent kids to school, and financed retirements on its income and appreciation. The old adage that "the biggest purchase you'll ever make is your home" holds true for most Americans. Medallion owners are the exception.

— — —
Sayed

Sayed stared into the rainy abyss of glowing taillights, all creeping forward in unison. He pushed the shifter into "park" and rest his head on the window, staring vacantly at the swaying wipers.

He closed his eyes and saw the contract. He drove for decades to sign it. And now it defined him. It was five years ago and the memory became more vivid each year. He recalled the naive sense of accomplishment, signing the contract for TLC Medallion 6K58. His eyes clenched as he banged his head against the cab's window, letting out a grunt.

A blow of horns from behind jolted him. There weren't any cars in front of him. He hurriedly shifted into drive and sped down the bridge off-ramp.

Just around the bend, the traffic bunched again. Another shift into park. He remembered his uncle, 30 years ahead of him, selling his medallion for \$1.25 million after a half-century of driving. He could feel his uncle's satisfaction, paying off his debt, buying a home, and retiring before 70. Mission accomplished.

Following in his uncle's path, Sayed drove towards the same dream. And in that fall of 2012, he finally reached it. Sayed recalled the broker's face, smiling with encouragement. The average price that year was \$1.3 million. He paid \$880 thousand with a \$175 thousand down payment. He was reassured his medallion was a steal.

— — —
Max

I started driving for Uber in 2017. I took driving classes where I was the only white-suburban-kid, collecting stares. I waited in TLC offices wrapped with queues of drivers renewing licenses. And I sat in the LaGuardia and JFK waiting lot, acquainting myself with other drivers. I found myself peering into the underbelly of the City's transportation system, meeting its stakeholders.

It became clear that operating a yellow cab is a game. They're all playing for the waving suit with a briefcase, the long fare out to Westchester. What New Yorkers misunderstand about cabbies is that driving like a maniac isn't a preference; it's a necessity. If you fail to find enough fares or hit too much traffic, you'll not only go home profitless, but will end up owing the medallion owner money. Each foot of the road and second at the light is accounted for. Wall Streeters might chant the *time-is-money* mantra, but cab drivers live it with every acceleration and lane change. It's the rawest legal hustle around.

Driving for Uber requires less commitment and hustle. It's the perfect part-time job for a student like myself. When I finish class I turn on the app and begin to drive. I don't have to think about leasing a cab or finding fares. There's a steady flow of passengers and Uber determines all the rates.

Just a few years ago, Governor Cuomo welcomed Uber to the City and allowed new ride-share drivers to pick up passengers in the Exclusionary Zone *without* a medallion. The law placed Uber and Lyft in the same legal-space as the phoned-in Lincoln Town Cars. Ubers are considered just another “black-car,” free to pick up anywhere. This was the fatal blow to the taxi industry. When the Exclusionary Zone lost its exclusivity, the King Cab business model went bust.

The upheaval of the taxi system actually worked out pretty well for me. A few years ago before Uber, I would have been stuck waiting tables on a restaurant manager’s schedule. Now, I have an entry-level job with a rare perk: Complete autonomy over my hours. It doesn’t pay much, but it helps me afford my schooling to become something else; it’s a means to an end.

— — —
Sayed and I

On the Brooklyn Bridge off-ramp, I found myself idling next to the same cab. This time I caught his face. It sagged, worn and tired. He wore a wrinkled button-down. His hair was unkempt. He appeared lifeless. I glanced at the 6K58 screwed onto the hood of his cab. When I looked back at him, our eyes met through rain coated panes of glass. We held a long stare. I looked out of my windshield at a sea of plates that, like mine, start with T and end with C: Ubers. I glanced back at the cab. His stare remained steady.

Every game produces losers. The 2019 average medallion price is now \$137 thousand. Worth less than a 2012 down payment.

There’s no sign of the value going back up. I was looking into the eyes of a man that lost everything. A man so underwater, he’ll be trapped in that Escape for life. No means. No end.

My phone alerted me that Jennifer had requested a pickup. He watched as I tapped to accept the ride and further erode his life’s investment.

UPDATE: The 2020 average medallion price is now \$110,000.