

Screwed

The rain trickled down my window. I glanced right. A yellow cab idled next to me. We both sat at the paint that framed the intersection of Church Street and Park Place near the Brooklyn Bridge on-ramp. The cab nudged past the white line on the pavement while the light was still red. Unlike my car, an Uber driven by a 28-year-old guy paying for school to become a copywriter, this car had an experienced driver.

The car itself had experience too—a beaten Ford Escape with rectangular stick-on reflectors unevenly taped to the bumper. The cab’s fender had a football-sized indent. A sparkling gold mat covered the dashboard. A dozen trinkets, tilted from swaying, littered the mat.

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 a daydream; for the unfortunate, time to ruminate. From behind the wheel of his ’06 Escape, Sayed Bahmani knew both well.

His first fare came back in 1986. He moved here from Bangladesh with a suitcase of clothes and a piece of paper in-hand. His belongings were replaceable...but that scribbled piece of paper—that was his guide to 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.

He rented a modest apartment in Jamaica, Queens and drove until the city felt small. He drove through it all. Three decades of regularly scheduled gridlock, thousands of gas fill-ups, and millions of miles in fares. He pushed toward his final stop with laser focus on his end-game; a single destination that kept him going six days a week.

— — —

The Industry

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

Medallions controlled the taxi industry for nearly a century. 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 made a living. The metallic pentagons, written under seal of the TLC, are located on the hood of the cab, giving the vehicle exclusive legal right to pick up street hails in this strictly protected zone.

Big fines are issued to those that undermine the Exclusionary Zone. If the TLC Police catch you pick up a passenger without a medallion, prepare to pay \$2,000. These inspectors mostly operate undercover, baiting drivers with illegal street pickups. They did so 2,825 times last year. Get caught a few times and you’ll start paying five-figure fines.

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. With legal backing, King Cab ruled for generations.

— — —

The Pursuit

Go sit behind the wheel in New York City for an afternoon. It's not for the thin-skinned. Yet 13,000 taxi drivers do it every day. And they do it while remaining painfully aware that most of their hard-earned money goes straight to the medallion owner.

Ownership is the dream; a coming-of-age for a cab driver. It takes decades to finally purchase a licensed taxi and lease it out to others at a premium. (Usually about \$200 per day.) Now someone else can sit in traffic behind the wheel of *their* cab.

Purchasing a medallion is comparable to an employee purchasing a stock option. But rather than investing in the future prosperity of a company, they're investing in King Cab. Throughout the 20th century, drivers lived a decent, middle-class existence buying in medallions. Families bought homes in the suburbs, sent kids to school, and financed retirements on its income and appreciation. The 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 at the blurry trail of taillights creeping forward in unison across the Brooklyn Bridge. A rainy rush hour can bring traffic to a complete standstill. You may as well put the car in park because your foot becomes sore from pressing the break. Sayed pushed the car into park and rest his head on the window, hypnotized by his windshield-wipers.

He could see his uncle, 30 years ahead of him, selling his medallion for \$1,250,000 after a half-century of driving in massive debt. Sayed channeled his uncle's joy—the joy that can only be felt from multi-decade debt that's finally been lifted. He retired at 72. Job done.

A chord of honks jolted Sayed. He shifted back into drive and sped down the bridge. Traffic bunched up again. Shift into park.

His eyes closed and saw the contract. The one he drove for decades to sign. That paper now defined him.

It was five years ago and the memory continues to make him sigh. He recalled his naive sense of accomplishment from buying Medallion 6K58 back in the fall of 2012. He could see the wrinkles in medallion broker's face, smiling with encouragement. Average prices that year were \$1,300,000. The broker assured him that this medallion was a steal. It only cost \$680,000.

Sayed opened his eyes. He grunted and banged his head against the cab window.

— — —
Me

I started driving for Uber in 2018. I waited in TLC offices wrapped in queues of drivers renewing licenses. I leaned on the hood of my car with other drivers at LaGuardia eating Halal food, waiting for rides. We swapped stories; our longest ride, our craziest passenger, our biggest celebrity. I began to know the faces behind the engines.

It became clear that operating a yellow cab is just a game. They're all pulling a slot machine, hoping for that waving suit with a briefcase to go out to the suburbs. What people misunderstand about cabbies is that driving like a maniac isn't a preference—it's a necessity. If you can't catch enough fares or sit in too much traffic, you'll not only go home profitless—you'll end up owing the medallion owner money, too. Each foot of the road and second at the light is accounted for. Wall Streeters 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 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 a fare. There's a steady flow of passengers and Uber determines the rate.

— — —
The Demise

Just a few years ago, the mayor and governor welcomed Uber to New York 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 old phoned-in Lincoln black cars. Ubers became 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. 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

I found myself idling next to the same cab from Church Street. This time I caught his face. It sagged, worn and tired. He wore a wrinkled button-down. His hair was matted. He was lifeless.

I glanced at the 6K58 screwed onto the hood of his cab. Our eyes met through our rain-coated windows. We held a long stare. Ahead were a sea of plates that start with T and end with C: Ubers. I glanced back at the cab. His stare remained steady.

Every game produces losers. Sayed was just another.

The 2019 average medallion price is \$117,000 - just 18% of what Sayed paid in 2012. 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.