

Screwed

I glanced to the right as the rain trickled down my window. A yellow cab idled in the lane 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 street light was still red. Unlike my car, an Uber driven by a 28-year-old guy paying for school to become a copywriter, the cab had an experienced driver.

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

The cab blew through the intersection just before our light turned green. Perfectly timed. The only way to hit a light that quickly is to look left and watch the pedestrian walk signal tick down to a flashing red hand. The red hand is the real traffic light.

Sayed

For the fortunate, driving affords time to 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 in 1986. He moved to New York from Bangladesh with a suitcase in one hand and a piece of paper in the other. His belongings were replaceable, but that scribbled piece of paper 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 big city became small. He drove through it all: decades of regularly scheduled gridlock, thousands of gas fill-ups, and millions of miles in fares. He pressed forward with laser focus on his end-game—a final destination that kept him going six days a week.

The Industry

There are two players 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 who violate the Exclusionary Zone. If the TLC Police catch a driver pick up a passenger without a medallion, they’ll pay \$2,000. Get caught a few times and they’ll start paying five-figure fines. The TLC Police operate undercover, baiting drivers with illegal street pickups. They did so 2,825 times last year. I was one of them.

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 inception, the medallion was seen as a city-backed gold standard and 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, each painfully aware that most of their hard-earned money will go to the medallion owner.

Ownership is the dream. It's the 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 around \$200 per day). Now someone else can sit in traffic behind the wheel of *their* cab.

Purchasing a medallion is similar to an employee purchasing stock options. 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 investing 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 investment you'll ever make is your home" holds true for most Americans. Medallion owners are an exception.

Sayed

Sayed stared at the trail of blurred taillights creeping forward in unison across the Brooklyn Bridge. A rainy rush hour brings traffic to a standstill, and the constant breaking will make any foot sore. That's why cabbies put the car in park at traffic lights.

Sayed pushed the shifter into park, leaned his head against the window, and fell into a windshield wiper-induced hypnosis. 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.

A chord of honks jolted Sayed back to life. He shifted back into drive and sped down the bridge until traffic bunched again. Shift into park. His eyes closed and saw his medallion contract—the one he drove for decades to sign. He recalled his naive sense of accomplishment while buying Medallion 6K58 back in fall 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 cost only \$680,000. The memory made him groan. That paper now defines him.

Sayed's eyes opened and let out a louder groan. He banged his head against the window.

Me

I started to drive for Uber in 2018. I waited in TLC offices wrapped in queues of drivers renewing licenses. I sat on the hood of my car next to hundreds of other drivers in the LaGuardia waiting lot, anticipating our next ride. We swapped stories: our longest ride, our craziest passenger, our biggest celebrity. I began to connect the faces behind the wheel.

A cab is like a casino. Each pickup is a pull of the slot machine—you never know what you'll get. They're all chasing the high of winning a waving suit with a briefcase that's going out to the suburbs.

What people misunderstand about cabbies is that driving like a maniac isn't a preference, it's a necessity. Each foot of the road and second at the light is fair game. If you can't catch enough fares or sit in traffic too long, you'll not only go home profitless—you'll also owe the medallion owner money. 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 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 Town 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 earlier. I caught his face this time. It sagged, worn and tired. He wore an old, wrinkled button down. His hair was matted. He was lifeless. Our eyes met through our rain-coated windows. We held a long stare. I glanced at the 6K58 screwed onto the hood of his cab. 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, and Sayed lost big. The 2019 average medallion price is \$117,000—just 18% of what Sayed paid in 2012. There’s no sign of its 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 Uber app chimed. “Jennifer has 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.