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News That Citibank Is Foreclosing On 90 Taxi Medallions; TLC On Record TNCs Are Welcome

Mar. 19, 2015 5:11 PM ET | [81 comments](#) | Includes: [SBNY](#), [TAXI](#)

Disclosure: The author is short TAXI. ([More...](#))

Summary

- News report indicates Citibank to foreclose on 90 NYC medallions.
- TLC Chairwoman Joshi clear - taxi medallion industry needs to improve driver retention/compensation and customer service to catch up with ride-share.
- Praises TNCs and value of competition.
- TLC and city have no medallion price aspirations for budgetary purposes.

Reports recently broke that [Citibank is foreclosing on 90 medallions owned by New York City's largest medallion owner](#). This news follows seven foreclosures since September (none in previous several years), and comes in the midst, so far, of over 30% declines in NYC fleet medallion prices, reduced medallion lease fees, higher idle taxi shifts and declining taxi trips and meter revenue. Meanwhile, Uber is only 8 months into a spike in its driver network and trips with ambitious plans to aggressively expand the footprint further. Anyone expecting the regulatory cavalry riding to the rescue of taxi medallions should heed recent comments by Taxi & Limousine Commission (TLC) Chairwoman Meera Joshi. The taxicab ecosystem - fleet management companies and medallion owners (*not* lease drivers) - is effectively on its own. Joshi made a [presentation as part of the Center for New York City Law Breakfast Series on February 20, 2015](#). Joshi embraced the value of competition introduced by Uber et al while also expressing optimism for taxis: "Frankly, a lesser market would be destroyed, the New York

yellow taxi market has instead taken a mild dip." The Citibank news and market trends - without exception - suggest Joshi's assessment of the magnitude was premature. But opinions aside, the TLC's plan to let the competition play out was unmistakable in Joshi's words "for those segments adapting through improved driver retention and customer service, rebounding is extremely doable." The cavalry is not coming. As to the city's budgetary motivation to support medallion prices, Joshi downplayed that notion and pointed out the obvious, the market determines the price of medallions and medallion auctions at current prices would not represent much of the budget anyway.

TLC Welcomes TNCs

According to Joshi, she is frequently asked the question "what is the TLC going to do about Uber?" In her response she said TNCs globally are:

"... streamlining connections between cars for hire and passenger, allowing passengers to see their cars beyond their line of sight approaching, providing upfront information about the driver, and sometimes about the fare and allowing passengers to pay for service without having to ever reach for their wallet or purse."

She continued:

"[TNCs] means competition, and competition raises the bar for everyone, and there are tremendous market benefits for competing, more choices for passengers and a more mobile city, one less dependent on car ownership."

These words clearly indicate the policy trajectory for the TLC will remain one of "acceptance and regulation," rather than elimination or even any current consideration of driver limits. She later elaborated on the value of TNC innovation:

"Once licensed they [TNC companies] certainly don't view our [TLC] rules as the ceiling for service levels. Accurately, they focus on attracting and retaining drivers and customer service ... today, drivers are moving within the ever expanding world of for-hire ... the successful for-hire business model places high priority on driver compensation and provides support services for helping one become and remain licensed."

The Uber Effect

In response to questions about Uber's impact on medallion prices and cash flows, Joshi

acknowledged, "Apps clearly have had an effect on trip volume ..." but went on to attribute the blame more broadly, citing the introduction of green, all-borough taxis, accessibility requirements and the increase in MTA ridership. Joshi said average daily yellow taxi trips were down "5%" in 2014 versus 2013. When appropriately adjusted for the additional taxis on the road, the trips decline was 7%. But neither of these figures account for the fact that declines were occurring over the course of 2014, particularly in the second half following the dramatic acceleration in Uber's network drivers after July 2014 ([7,000 to 16,000](#) by December) and [20% price reduction for UberX](#) in the same month. By February, [Uber was reported to account for 100,000 trips per day in New York City](#), which would represent roughly 15% market share (less trips by UberBlack, heavily [cannibalized during 2013](#) by UberX when its share of Uber business declined from 80% to 30% over the course of the year while UberX ramped up from 10% to 45%, suggesting, by now, UberBlack may not represent much New York City business). A downward trend over the period would yield a larger negative comparison at the end than the "average" for the entire period versus the prior year. We estimate the point-in-time comparison by December was probably above 10%, and the additional 5% suggested in the 15% figure cited above and published by the Daily News after its editorial board met with Uber representatives, likely relates to expansion of the overall for-hire market stimulated by TNCs and some share of other Uber for-hire offerings. These figures do not include Lyft or other TNCs operating in NYC.

Moreover, Uber has announced [plans to dramatically ramp up its footprint in NYC in 2015](#) with a goal of 10,000 additional drivers. There is no credible reason to believe TNCs are even close to maximum market penetration when they only started to gain real traction in mid-2014 and the driver networks are still expanding.

TLC not Responsible for Protecting Medallion Prices

Joshi appeared to be out of her element in responding to questions about medallion prices, offering a meandering and seemingly rehearsed comment ([repeated on CNBC appearance](#)) about TLC not being in the business of valuation, and "valuation being difficult" because the market is small and "insular." She continued however, saying prices reached bubble territory after years of buyers and lenders loosely extrapolating historically upward price trends, followed by a recent tightening of financing criteria to a more cash flow oriented focus (what a novel idea). Pressed on the subject of medallion prices going forward, Joshi said, "I do think there will definitely be a decline [in medallion prices], and there has already been a decline from \$1.3 million ..."

Perhaps Joshi was already aware that NYC medallions took another tumble in February with a [mini-fleet pair transferring at \\$1.8 million](#) (another "conditional" transfer at \$1.4 million was an aberrant transaction in which a 2010 agreement, at the then going prices, was not closed until February 2015), reported by the TLC on March 4. The current price represents a 31% peak-to-current decline in fleet medallion prices observed, so far. The transfer also corroborates the information provided by one of our anonymous sources in January.

Asked about the city's motivation to support taxi medallion prices for budgetary purposes, Joshi said:

"... is there a magic number that the city cares about hitting? No ... It's an asset that we auction and the value of it is what the public decides it's worth ... medallion auction proceeds today represent 0.5% of the city's budget."

Commissioner Remains Optimistic

On the plus side from the perspective of medallion owners, Joshi went on to suggest there could be more regulations with attendant costs imposed on TNCs including:

- Mandatory driver training for all FHV and taxi drivers;
- Possible imposition of MTA surcharge (\$0.50 per trip) on FHV vehicles (cited as "unfair," but such a change currently only under consideration).

These additional costs would obviously constitute incremental costs on TNC drivers, but from a competitive standpoint, would only eliminate an existing cost advantage rather than confer a cost advantage to medallion-bearing taxis.

"People love to hail," according to Joshi, "New York is and will remain a yellow town." After 70 years of having no choice but to waive one's arms for a taxi, it seems a bit premature to declare that people "love it," as opposed to simply being in the habit of it. The rapid adoption of TNCs in the relative early stages of market traction suggests the jury remains out on the sustainability of people's "love" for street hailing relative to tapping a couple of buttons on a smartphone to get a vetted driver and car, in a known location, inside of five minutes for less money.

Conclusion

Taxis and TNC vehicles will continue to coexist and eventually reach an equilibrium. The question is, what will NYC taxi medallion economics look like compared to those historically

supporting soaring medallion prices? As new supply continues to enter the NYC market, gross revenue per medallion will continue to decline as trips/revenues get disbursed across more competitors, especially damaging during demand peaks (during which TNCs charge "surge" prices) when taxis have and continue to earn the most during a shift. The inflow of new, for-hire vehicle supply will not stop in a free market until the cash flow from driving ceases to be attractive to drivers. This basic economic reality raises a critical question: which driving mode generates higher net income per hour or mile driven and will therefore be last to suffer negative cash flow from declining gross revenue/driver?

TNCs charge surge prices when demand exceeds vehicle supply and customers are least price sensitive, and charge less than taxis during non-peaks when demand is slower and customer price sensitivity is high. The effect of the former is higher revenue per hour during peak periods by way of surge prices, and the effect of the latter is higher utilization/higher trips per hour, more than offsetting lower prices (Uber does sophisticated, ongoing, real-time data mining to finely calibrate prices to achieve optimization) and thereby also yielding higher revenue per hour during non-peak periods. On the cost side, TNC drivers in cities other than NY do not have to pay the higher premiums of commercial insurance, and in all cities only have a portion of their fixed vehicle costs applicable to for-hire driving since they have dual-purpose vehicles that are also used personally. In addition, ride-share drivers do not have to pay significant medallion lease fees or service medallion-based debt. As a result, TNC drivers have both a cost and a revenue advantage on an hourly basis, and thus a significant cash flow advantage per hour driven. It is the taxi medallion-bearing vehicles, therefore, that will be first to suffer negative cash flow, prompting widespread defaults, presenting material balance sheet, cash flow and earnings risk to Medallion Financial Corporation (NASDAQ: [TAXI](#)) and significant book value risk to Signature Bank (NASDAQ: [SBNY](#)).

Defaulting will be a painful pill for independent owner drivers and they will do anything to avoid it. But negative cash flow and negative equity will leave no choice, just as homeowners were forced to drop off keys to their homes during the financial crisis. For fleet medallion owners, 58% of all NYC medallions, sinking into the red will happen sooner. Roughly half of this group receives a payment from a fleet management agent of around \$3,000 per month. From that \$36,000 to \$40,000 of annual cash flow, medallion debt must be serviced. We estimate the free cash flow cushion for fleet owners is less than \$2 per hour currently (\$40,000 gross cash flow less \$24,000 of debt service based on \$370,000 of debt, 4% interest rate and 25-year amortization). On top of seven NYC medallion foreclosures since September after years without

a single foreclosure, the Citibank action on 90 medallions held by Gene Freidman, the largest NYC fleet owner, is evidence this process may be happening faster than expected.

Comments (81)



User123487639

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Agree on all points. Excellent article as usual.

19 Mar, 09:33 PM [Reply!](#) [Report Abuse](#) Like 2



Larry Meyers

, Contributor

[Comments \(1091\)](#) | + Follow | Send Message

Please provide original quoted sources from your own interviews, with names for the following quotes:

"reduced medallion lease fees"

"Higher idle taxi shifts"

19 Mar, 09:37 PM [Reply!](#) [Report Abuse](#) Like 0



User123487639

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Why do they have to be his own interviews? Quotes from major newspapers doing the interviews are fine with me.

20 Mar, 07:57 AM [Reply!](#) [Report Abuse](#) Like 2



fredfree123@aol

[Comment \(1\)](#) | + Follow | Send Message

Forget about interviews. Go to any fleet garage, many in LONG ISLAND CITY. Act like your a driver go to the dispatcher window and see the lease prices If you do this @ 3 PM you'll be able to talk to many cab drivers. WE love to talk business. Go back @ 6 pm and count the number of cabs remaining. You can tell us the percentage. The drivers will tell you how many cabs the fleet has. In a few hours you will have plenty of info. TLC records are public. Going to the TLC web site is a great place to start. Now you will know what's bullshit and what's not.

20 Mar, 02:11 PM [Reply!](#) [Report Abuse](#) Like 1



MMaaa23

[Comments \(10\)](#) | + Follow | Send Message

James, a lot of what you write is simply based on newspaper articles. Go walk the streets of NYC and see how many cabs are empty. I work in NYC, MOST TIMES OF THE DAY, every cab that passes by me has a passenger in the cab. Hailing a cab by hand in a city like NY is still the fastest and most efficient at most times of the day. As long as the Yellow cabs continue to have this privilege, the business will remain strong. Most yellow drivers I spoke to say they are making money. Remember with Uber you either have to rent a car per week or month which costs a lot of money or purchase and lease a car which is costly as well, which comes with maintenance costs which could really hurt your bottom line in long run. In NY, Uber is just another black car service with an APP, its not hurting the industry as much as you want the people to believe.

20 Mar, 04:43 PM [Reply](#)! [Report Abuse](#) [Like](#)1



James Hickman

, Contributor

[Comments \(267\)](#) | + Follow | Send Message

Author's reply » MMaaa23,

For starters, I lived in NYC for 13 years, travel there regularly, communicate with industry players in NYC via phone and email regularly and constantly gather industry data and information. Our entire thesis is based on in-depth discussions with taxi medallion industry experts - fleet medallion owners, fleet management company garage managers, medallion brokers and medallion lenders. The analysis is based on fundamental economic concepts and the economics driving "gig" industries/sharing economies. Many of my primary sources conditioned their input on anonymity. This is a multi-billion dollar industry under siege, and everyone in it is watching their back. Without exception, our sources have been corroborated with almost everything we have been told and reported subsequently confirmed publicly from declines in trips - that is a TLC fact, notwithstanding your personal testimony to never seeing an empty cab - to declining meter revenue, to idle shift increases, driver shortages and street asking prices. All of it. The accuracy of our sources cannot be credibly challenged. Public quotations of taxi industry advocates corroborating the information we previously obtained and published from industry sources is to demonstrate the veracity of our sources and information - it is not the source itself. Read our reports and compare the dates to those of the quotations.

No one claimed taxi drivers were "not making money" just that their cash flow was in decline. The bottom will not be reached until supply stops entering - Uber driver network is still in a steep upward trajectory. High cost drivers will eventually experience negative cash flow as revenue per hour continues to get diluted over more drivers in the market and be forced out of the market. Taxi drivers are the high cost drivers, and it's not close. Read our articles, in full, to better understand the relative costs of the respective modes and the uncontroversial logic leading to expected, widespread defaults.

I don't "want people to believe" anything except the truth and I encourage all to consider future implications of what we currently know.

20 Mar, 06:52 PM [Reply!](#) [Report Abuse](#) Like 1



Jim1

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Regardless of the finances, the NYC taxi industry was sold out badly under Bloomberg by Chhabra. TNC's are using the app as a taximeter, this is illegal for non-Medallion holders, but Chhabra figured out a way to twist the rules and claim it's not a taximeter because it uses GPS. Uber is now free to flood the market with as many cars as possible, while the TLC does nothing. This is one of the worst examples of blatant corruption I've ever witnessed. Chhabra of course jumped ship and now gets paid by Uber, and Yassky by Lyft. I realize you're only interested in the financial angle here, but this is all truly disgraceful.

20 Mar, 07:25 PM [Reply!](#) [Report Abuse](#) Like 1



James Hickman

, Contributor

[Comments \(267\)](#) | [+ Follow](#) | [Send Message](#)

Author's reply » Comment 1 of 2:

When ones point-of-view cannot accommodate the known facts, honest players reassess their point-of-view. Others simply deny the facts, repeatedly, and cease to be relevant in the discussion. As we stated, our sources, at this point, have proven above reproach.

In our first report in December, we reported the obvious effects of TNCs increasing driver networks and market share in major markets:

- 1) Taxi-medallion-lease driver shortages/rising idle taxi shifts;
 - 2) Falling taxi trips - tautological given (1);
-

2) Falling taxi meter revenue - tautological given (1)/(2)

3) Falling taxi medallion prices.

Although these conclusions can be logically inferred from the well-documented fact that TNCs, particularly Uber, were gaining rapid traction among drivers and customers, we confirmed ALL OF THEM with fleet medallion garage managers in major markets, including NYC, Boston and Chicago, fleet medallion owners, medallion lenders, medallion brokers and actual medallion-owner drivers.

Surprisingly, these basic facts were challenged as "assumptions" and "speculation" by small minorities of commenters. In subsequent weeks and months, taxi medallion ecosystem ADVOCATES corroborated ALL of these obvious facts.

See next comment 2 of 2

21 Mar, 10:44 AM [Reply!](#) [Report Abuse](#) [Like](#) 1



Larry Meyers

, Contributor

[Comments \(1091\)](#) | [+ Follow](#) | [Send Message](#)

When ones point-of-view cannot accommodate the known facts, honest players reassess their point-of-view. Others simply deny the facts, repeatedly, and cease to be relevant in the discussion. As we stated, our sources, at this point, have proven above reproach.

In our first report in January, we reported the effects of TNCs increasing driver networks and market share in major markets were not as high as claimed, and that only the network in NYC mattered with respect to TAXI.

1) Taxi-medallion-lease driver capacity had no material changes in NYC/idle taxi shifts were not evident in any material form.

2) Stable taxi trips - tautological given (1);

2) Stable taxi meter revenue - tautological given (1)/(2)

3) Falling taxi medallion prices -- unrelated to the above. They are the result of A) A 15% increase in yellow medallion licenses and 20% increase in livery licenses, and B) Secondary market uncertainty surrounding rideshare.

Although these conclusions can be logically inferred from the well-documented fact that Gross Farebox Revenue declined a mere 2.3% in NYC, confirmed by data obtained and reported on by multiple sources, we confirmed ALL OF THEM with fleet medallion garage managers in major markets, including NYC, fleet medallion owners, and medallion lenders. These individuals were quoted and sourced per journalistic standards.

Surprisingly, these basic facts were challenged as "assumptions" and "speculation" by small minorities of commenters. In subsequent weeks and months, taxi medallion ecosystem ADVOCATES corroborated ALL of these obvious facts.

Other sources disputed them, although virtually all have political or financial self-interests that render their statements questionable.

See next comment 2 of 2.

21 Mar, 02:42 PM [Reply!](#) [Report Abuse](#) [Like](#) 0



• [MMaaa23](#)

[Comments \(10\)](#) | [+ Follow](#) | [Send Message](#)

And the reason why those 90 cabs are being foreclosed on is that those medallions were purchased at one of the last auctions in which a medallion was going for around a 1 million. Friedman let those cabs go on purpose because he knows he overpaid for them and it's not worth it. He can go and purchase a medallion for \$800,000 now. Your making a bid deal about these 90 medallions but in reality it was intentional and most cabbies that I've spoke to say a lot of drivers that went to Uber are coming back to Yellow garages. They say they make the same money with Uber but with more overhead and risk.

20 Mar, 04:48 PM [Reply!](#) [Report Abuse](#) [Like](#) 0



• [Larry Meyers](#)

, Contributor

[Comments \(1091\)](#) | [+ Follow](#) | [Send Message](#)

Pretty compelling arguments. The problem with trusting newspaper reports is that one has little idea about how much of the story has actually been told. The elements you discuss are things the reporter likely never asked.

20 Mar, 06:03 PM [Reply!](#) [Report Abuse](#) [Like](#) 0



• [James Hickman](#)

, Contributor

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Author's reply » I do not have reliable information on the specifics of the 90 foreclosed medallions. Nor do you, based on your nonsensical assertion that Friedman threw away \$22.5 million (\$250K down, based on your \$1 mm purchase price figure, on 90 medallions) and his business and credit brand in order to buy medallions cheaper. Why would he need to lose \$22.5 million and his credit in order to buy more medallions at \$800K? Good luck with that yarn.

What any sentient observer does know is taxi medallion cash flows have been declining, medallion lease fees have been cut to below TLC caps for the first time in years, taxi trips are declining, idle shifts are rising, prices are collapsing, owners are being foreclosed, Uber's market share gains accelerated in the second half of 2014 and they've announced bold plans to expand their footprint in 2015, while Lyft is ramping up its efforts in NYC as well. Whether I want people to believe something or not, those are the facts, and they would seem to be relevant to Citibank foreclosing on 90 medallions owned by the largest NYC medallion holder.

What I also know is there is not a single explanation of 90 more foreclosed NYC medallions that bodes well for taxi medallion economics.

20 Mar, 07:07 PM [Reply!](#) [Report Abuse](#) [Like](#) [2](#)



• [User123487639](#)

[Comments \(46\)](#) | [+ Follow](#) | [Send Message](#)

I too live in nyc. You can now see available cabs during rush hours and on rainy days, which 1 year ago would mean an hour wait. People still take yellows for short distances, but the lucrative trips to and from airports and outer boroughs are being dominated by uber. Also, highly unlikely friedman would walk away from downpayments and tarnish his credit in order to rebuy at a lower price. Who would lend money to someone who just went thru a 30mil dollar foreclosure.

20 Mar, 06:12 PM [Reply!](#) [Report Abuse](#) [Like](#) [2](#)



• [MMaaa23](#)

[Comments \(10\)](#) | [+ Follow](#) | [Send Message](#)

User, you may be right about the outerboroughs because they were never properly served by the Yellow cab industry. But to say Uber is dominating the airports is wholly inaccurate. Yellows cab still are choice #1 at the airports especially for visitors. There is actually a new dispatch system at JFK and La Guardia for yellow cabs that makes the whole process easier for passengers and drivers to get a yellow cab. Outside the airport on the shoulders of the highway, you could see tons of TLC plated cars waiting to get pingged with their app. Not that easy. I am not saying that Uber is not taking some of the lucrative trips to and from the airport from the yellows, but Yellow is still DOMINant in NYC and at airports and will always be. Its just the nature and the makeup of Manhattan and the airports themselves. Sometimes you just have to see it with your own eyes. Business is good. Everybody is just over exaggerating the Uber effect especially in NYC.

20 Mar, 06:42 PM [Reply!](#) [Report Abuse](#) [Like](#) [2](#)



MMaaa23

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In addition, that article quotes a driver saying he makes \$85 grand in Net Profit is very inflated and false which can be confirmed by talking to Uber drivers and reading Uber forums where Uber drivers themselves are laughing at the fact that anybody can think making \$85 grand is a realty. Dont believe everything you read from reporters and newspapers.

20 Mar, 06:42 PM [Reply!](#) [Report Abuse](#) [Like](#) 1



James Hickman

, Contributor

[Comments \(267\)](#) | + Follow | Send Message

Author's reply » Comment 2 of 2 (see 1 of 2 above):

Forgive the length, but after repeated denials (by small number of commenters) that basic facts have been corroborated by "credible sources," hopefully by again providing the corroborating public sources - taxi ecosystem advocates, no less - of uncontroversial information we reported earlier and sourced from our unattributed sources (a condition of their speaking), we will cast a bright enough light on the shameful denial of basic facts that the denials will cease, but I doubt it. ;-)

"The appeal of driving a yellow cab has apparently diminished. The numbers of drivers seeking to climb behind the wheel has dwindled over the past year, according to the owners of taxi fleets, despite the city's reports that the number of hack licenses has remained constant.

Stanley Wissak, 87, an owner and dispatcher for 55 Stan, a large yellow-cab company in Long Island City, Queens, said he was more worried by a lack of drivers than a lack of geographic knowledge, because, "with GPS, you don't need to know where anything is anymore." He said new drivers have been difficult to find in recent months, and many shifts had been left unfilled.

Asked if he would prefer a driver who used a GPS unit or one with a good grasp of city geography, Mr. Wissak looked at several cabs sitting idle in his lot and said, 'Right now, I'd take them both.'

<http://nyti.ms/1AiTFOR>

" 'Drivers work grueling hours with little pay or protection. The taxi industry is panicked that there is a taxi driver shortage. The moment drivers start to receive benefits, the

taxi industry will have something concrete to attract back drivers.' " Bhairavi Desai, Executive Director of the Taxi Workers Alliance

<http://bit.ly/1xLOUPH>

"Ethan Gerber, of the Greater NY Taxi Association, said that since last summer, all 18 fleets he represents have lost between 10 and 15 percent of their drivers."

<http://bit.ly/175mM1B>

"In an effort to negate Uber's attempts to employ his drivers, Freidman [largest NYC medallion owner, recently reported to have defaulted on 90 medallions being foreclosed by Citibnk] says he's lowered the amount he charges them—an unusual move for a man who in 2013 reached an agreement with the city and the state attorney general to pay \$750,000 in restitution to drivers his companies had overcharged, along with \$500,000 in penalties."

<http://bit.ly/175mM1v>

"The city's taxi industry has suffered an exodus of drivers who have moved to Uber ..."

"Uber has signed up 15,000 drivers in New York since its launch in 2012, resulting in a sharp drop in the number of yellow cabs. The Committee for Taxi Safety said some fleet operators were keeping a fifth of their cars off the road."

David Beier, the president of the Committee for Taxi Safety, comments, "Right now there is a driver shortage."

<http://on.ft.com/1LAEb1R>

We are in possession of a complete schedule of daily shift NYC taxi medallion lease fees, received from one of several fleet medallion garage managers with whom we speak. NYC medallion shift lease rates reflect 2014 discounts from TLC caps for first time in years, with the largest discounts on Saturday and Sunday PM shifts of 24%, lowest discounts on AM shifts Wednesday to Friday of 7%.

Again, these are facts not being debated, never mind denied, by ANY credible expert on the subject, and the situation is FAR worse in Boston and Chicago.

21 Mar, 11:10 AM [Reply!](#) [Report Abuse](#) [Like](#) 1



Larry Meyers

, Contributor

[Comments \(1091\)](#) | [+ Follow](#) | [Send Message](#)

Forgive the length, but after repeated denials (by small number of commenters) that basic facts have been corroborated by "credible sources," hopefully by again providing the corroborating public sources - rideshare advocates, no less - of uncontroversial information reported by numerous other sources. We will cast a bright enough light on the shameful denial of basic facts that the denials will cease, but I doubt it. ;-)

In addition to quoted sources, including Tribeca Management and Black and White Management, other independent sources have corroborated the facts that drivers shortages simply do not exist in any material fashion.

<http://bit.ly/1z1QStB>

<http://bit.ly/1CI1fsk>

<http://bit.ly/1z1QStD>

<http://bit.ly/1yOW5Hn>

That rideshare has in any way permanently affected the NYC revenues of those with medallion loans is disputed by the NYC TLC itself. Not only did it demonstrate a 2.3% decline in 2014 revenue, which was an improvement over the 6.6% decline of 2013, but it determined that the average medallion grossed \$196,000, some 10-12x debt service of the average loan made by TAXI.

Debt service itself is, of course, covered by lease fees owner-drivers receive from those they lease to each day when they themselves are not driving.

Multiple sources have demonstrated that the rideshare pool is not earning revenue in any significant fashion, and is more than offset by the unexpected costs associated with rideshare.

This runs directly counter to claims that rideshare is taking any significant market share, and instead confirms that fleet managers initially saw drivers leave, only to come back.

<http://read.bi/1BRvJWr>

<http://huff.to/1zEiFFF>

<http://to.pbs.org/1CI1fIM>

<http://wapo.st/1zQ2ENx>

<http://bit.ly/1zQ2ENC>

The list of complaints is endless at uberpeople.net.

It is total revenue reported by the TLC that proves, unequivocally, what the real effect of rideshare has been. As corroborated by the initial exodus of drivers, revenue fell 6.6% in 2013. However, as drivers determined rideshare to be of little value, they returned. Revenue fell only 2.3%.

Moreover, the actual cause of this decline cannot be definitively attributed to any source, much less rideshare.

Finally, and most importantly, TAXI reported zero medallion loan losses in 2014. Again.

21 Mar, 02:53 PM [Reply!](#) [Report Abuse](#) [Like](#) [0](#)



User123487639

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who is black & white taxi and tribeca taxi?? They don't exist.

Here is a list of taxi fleets in NYC:

<http://bit.ly/1HyKhM7>

24 Mar, 05:05 PM [Reply!](#) [Report Abuse](#) Like 2



• [aznwwsd](#)

[Comments \(91\)](#) | [+ Follow](#) | [Send Message](#)

I have the same question, Larry it would be great if you could answer this since you've quoted these sources repeatedly.

1 Apr, 07:40 PM [Reply!](#) [Report Abuse](#) Like 0



• [User123487639](#)

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Agreed, no driver makes 85k driving for uber or yellow. Its a difficult low paying job which is even more reason why uber is hurting yellow. Even a 5% increase in supply by uber means a 5% decrease in pay to yellow drivers who already had a hard time making ends meet. Especially because an uber driver can "turn on" during the most profitable hours hurting yellows at peak times. I fly quite often and i see the yellow lines being shorter every time while there are so many people taking ubers that it becomes difficult for them to identify which one they connected to. Its an uber mob scene at airports these days.