

2014

TAXICAB

FACTBOOK



NEW YORK
CITY

TAXI & LIMOUSINE COMMISSION

Michael R. Bloomberg
Mayor

David Yassky
Commissioner

2014 Taxicab Fact Book

The Taxicab Fact Book was last published in 2006 by Schaller Consulting. Since then, many changes have occurred, allowing us to take a new look at how yellow taxis operate in New York City. The largest change has been the introduction of the Taxi Passenger Enhancement Program (TPEP), a technology initiative which introduced credit card readers to all taxis in 2008. Along with this came the collection of electronic trip-sheet data, replacing handwritten paper trip -sheets with independent records including information on pick-up and drop-off times and locations and itemized fare amounts. With the new TPEP data, we are able to take a look at taxi patterns from all taxis without having to rely on samples of trip-sheets.

The 2014 Taxicab Fact Book is a quick look at the state of the yellow taxi industry (with a brief look at the other for-hire vehicle industries). This will be the first in a regular summary of taxi trends in New York City. Not only does the 2014 Fact Book contain updated statistics on total trips and fares, but it also provides unique looks at trip patterns by borough, shifts and taxi availability, and driver and passenger demographics.



Michael R. Bloomberg
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TLC-REGULATED INDUSTRIES

YELLOW TAXIS



Anywhere

For more on medallions, see p 12



BORO TAXIS

There are **13,437** medallions, the right to run a yellow taxi

A typical taxi travels **70,000 miles** per year, enough to travel around the world **2.8** times

The average age of a taxi vehicle is **3.3 years**

60% of taxi vehicles are hybrid-electric vehicles and **2%** of taxi vehicles are wheelchair-accessible

Trips: **485,000** per day | **175 MILLION** per year

For more on trips, see p 3-6

There are over **50,000** drivers

For more on drivers, see p 9-10

A typical driver shift is **9.5** hours

For more on shifts, see p 8

Passengers: **600,000** per day | **236 MILLION** per year

For more on passengers, see p 11

Boro Taxis were created as a new class of license to provide legal, yellow-caliber taxi service to passengers since **94%** of yellow taxi pick-ups occur either at one of the airports or at one of the airports.

Boro Taxis are a hybrid service, providing both **street hails** and **prearranged** for-hire vehicle services.

18,000 Boro Taxi permits are being issued in total, with **6,000** issued in 2014. The first group of 6,000 has been so far, with issuance planned for June 2014.

Boro Taxis are not permitted to pick up passengers in Manhattan below **E 96th Street** or **W 110th Street** to serve airport taxi queues

Models of Operation

Fleets

Run garages that own and operate many taxis
Drivers lease the taxi on a daily or weekly basis
The lease fee is capped according to TLC regulations

Driver-Owned Vehicles (DOV)

Driver conditionally owns the car but leases the medallion from an agent who manages it for an owner

Individual Owner-Operators

Driver owns car and medallion and is required to drive at least 210 shifts per year

Regulations

Street hails or e-hails anywhere in NYC
Accessible vehicles are required to participate in Accessible Dispatch program
TLC sets rate of fare
Specific vehicle standards (TLC inspection 3 times per year)
Closed entry with a fixed supply
Drivers must be able to read, speak, and understand English

For more on inspections, see p 13

Boro Taxi Service Areas





ense in 2012
to the boroughs,
er in Manhattan

For more on yellow trips
by borough, see **p 5-6**

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For more on Boro Taxis, including new facts
on a brand new service, check out the next
Taxicab Fact Book!

OTHER FOR HIRE VEHICLES (FHV's)



Liveries (also known as Car Services or Community Cars)

Provide for-hire service by pre-arrangement

Around **500** base stations located throughout the five boroughs

About **25,000** vehicles

Vehicles must be affiliated with a base

Average age of vehicles is about **7 years**

Passengers: about **500,000** per day

Fare: set by base and varies by neighborhood

Regulations

Trip must be prearranged via bases

Street hailing not permitted

Wide variety of vehicle types (TLC inspection once every 2 years)

Open entry

For more on inspections, see **p 13**

Black Cars

Provide service mostly for corporate clients, setting fares by contracts with clients

Around **80** base stations located throughout the five boroughs

About **10,000** vehicles

Vehicles must be affiliated with a base

Average age of vehicles is about **5.5 years**

Regulations

Prearranged contracted service, 90% non-cash basis

Wide variety of vehicle types (TLC inspection once every 2 years)

Open entry

For more on inspections, see **p 13**

Other Industries

Luxury Limousines

Provide chartered service

About **7,000** vehicles

Over **200** companies

Paratransit

Provide transportation for healthcare facilities

About **2,000** vehicles

Over **200** paratransit providers

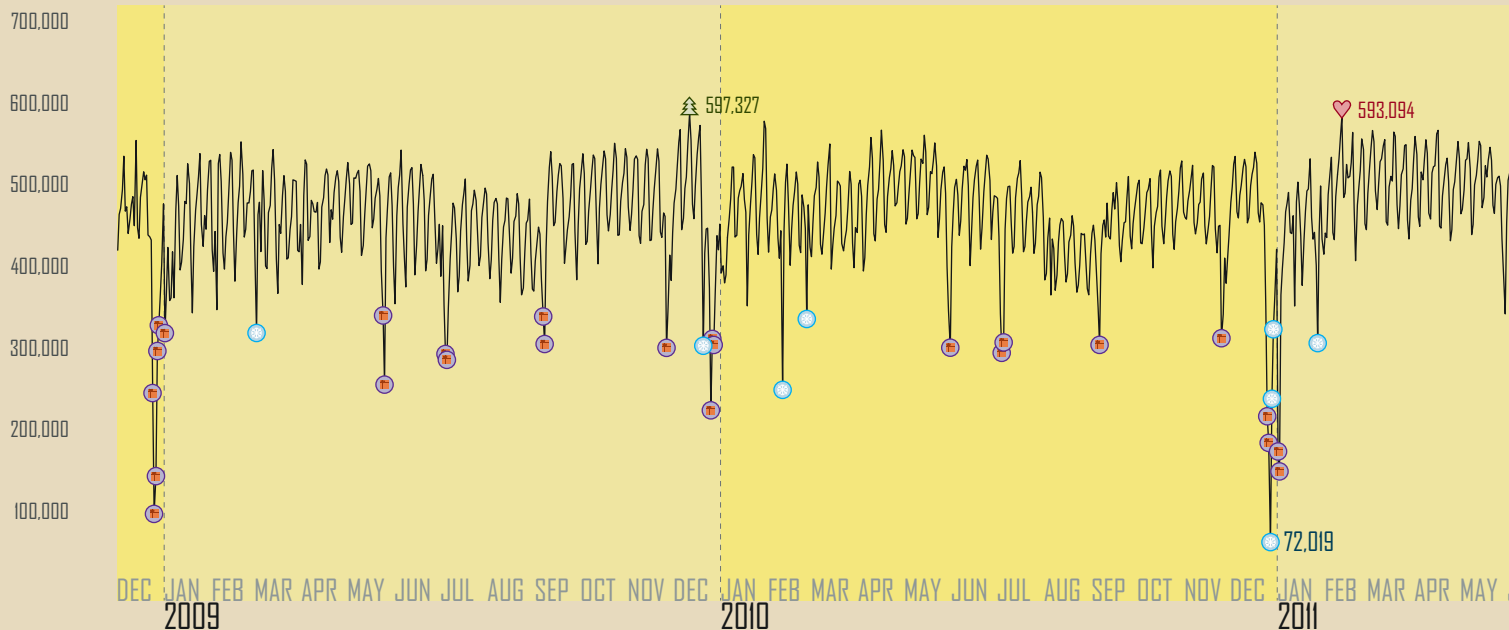
Commuter Vans

Provide service for passengers along fixed routes

About **500** vehicles

Around **50** van authorizations

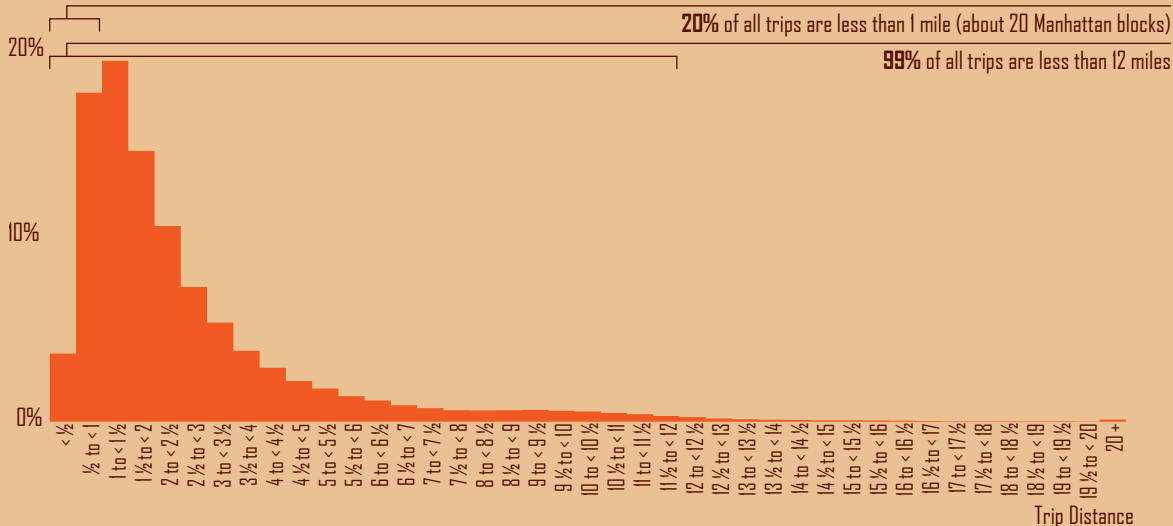
YELLOW TAXI TRIPS



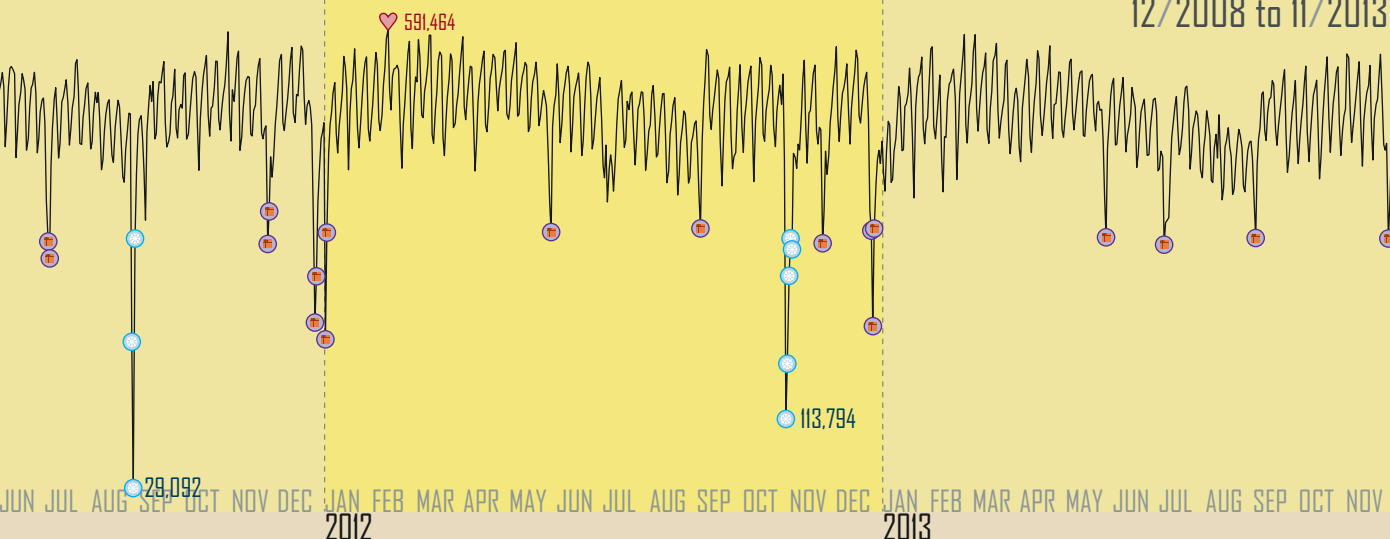
Yellow taxis provide an average of

485,000
trips/day

The average trip distance is **2.6** miles



Daily Trips 12/2008 to 11/2013



Days with fewer than 350,000 trips can be explained by either holidays or major weather events

HOLIDAYS



	Years with under 350,000 trips				
New Year's Day	2009	2010	2011	2012	2013
Memorial Day	2009	2010	2011	2012	2013
Independence Day	2009	2010	2011	2012	2013
Labor Day	2009	2010	2011	2012	2013
Thanksgiving	2009	2010	2011	2012	2013
Christmas	2008	2009	2010	2011	2012
	no data				

WEATHER EVENTS



Most significant events	Date	Trips
Blizzard	12/27/2010	72,019
Hurricane Irene	8/28/2011	29,029
Superstorm Sandy	10/29/2012	113,794

The most trips between 2008 and 2013 occurred on **December 11, 2009**, a Friday.

Other top days include

February 12, 2011 & February 11 2012,
both Saturdays around

Valentine's Day

Average daily taxi usage is typically highest in the spring months and lowest in the summer months

MONTHS WITH HIGHEST & LOWEST AVERAGE DAILY TRIPS

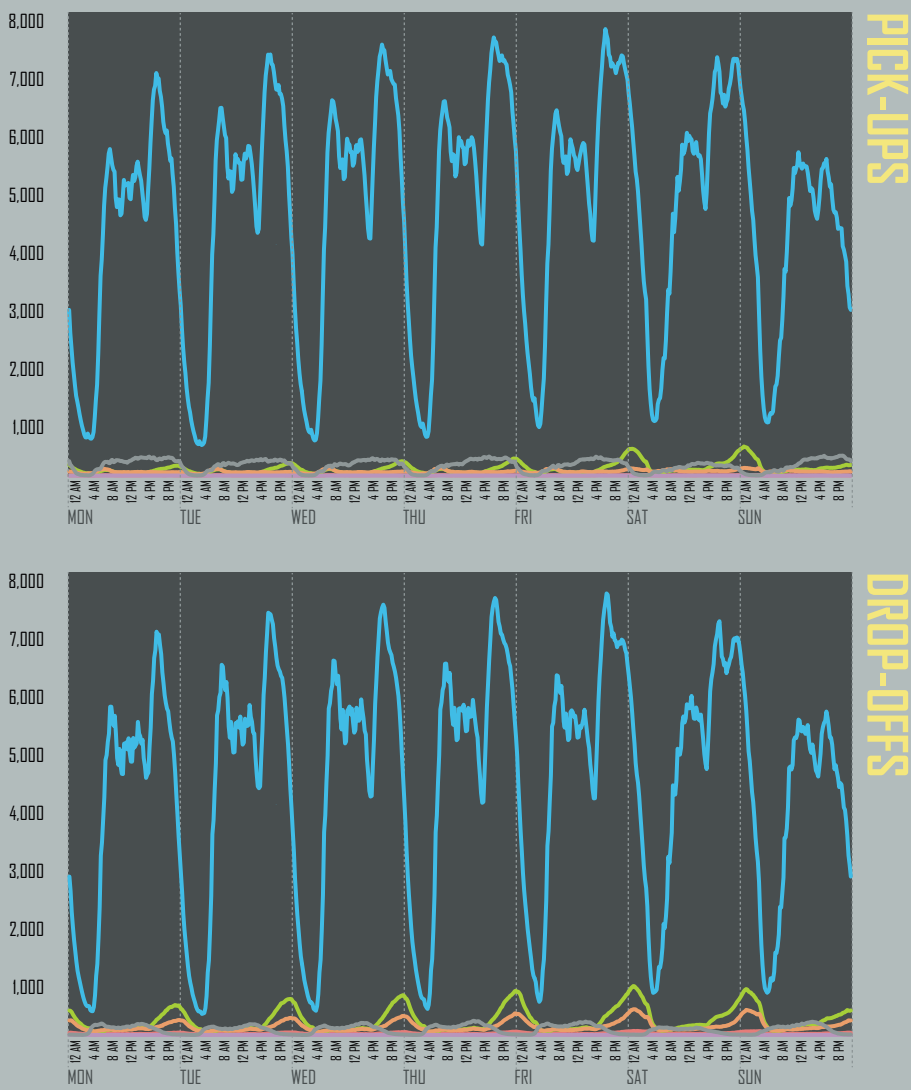
													HIGH	LOW
2008	/ / / / / / / / / / / /												DEC	
2009	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
2010	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
2011	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
2012	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
2013	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
	no data													

TRIP TRENDS BY BORO



Borough	% of all Taxi Pick-ups
Manhattan	90.3%
Bronx	0.9%
Brooklyn	3.1%
Queens	1.5%
Staten Island	0.8%
Airports	3.5%
New York City	100.0%

Average Total Pick-ups and Drop-offs by Time of Day (15-minute increments)



Source: NYC TLC TPEP Trip-sheet data, 2012

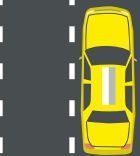
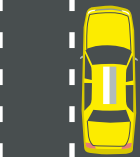
Yellow taxi activity is centered on Manhattan, where 90.3% of taxi pick-ups occur. After Manhattan, the area with the highest percentage of pick-ups is at the airports, which together account for 3.5% of all pick-ups. Taxi activity in the boroughs outside of the airports is scarce: in total, about 6.2% of all pick-ups occur in these areas. The borough with the largest share is Brooklyn, where 3.1% of all taxi pick-ups occur, followed by Queens with 1.5%, the Bronx with 0.9%, and Staten Island with 0.8%.

Looking at trip patterns by time of day and day of week, Manhattan continues to be the primary borough where pick-ups occur. However, there are a few times of day where pick-ups in Brooklyn and Queens and at the airports make up a higher share of all pick-ups than usual. The Brooklyn share of pick-ups reaches its peaks overnight, usually between 10PM and 5AM. The average weekly peak occurs early Sunday mornings when Brooklyn pick-ups make up 8% of all pick-ups between 1:30AM and 2:30AM (representing about 1,800 taxi pick-ups on average for this hour). The Queens share of pick-ups reaches its peaks at the start of the AM shift, likely due to the fact that most taxi garages are located in Northwestern Queens. Most mornings between 4:30AM and 6:00AM, about 5-6% of all pick-ups occur in Queens.

At the airports, daily peaks occur in the AM around 5:30AM and in the evening around 4:30PM, and these peaks range from representing 4% to 7% of all pick-ups. The weekly peak occurs late on Sunday evenings, where taxi traffic is generally low, when pick-ups at the airport represent about 8% of all taxi pick-ups. From 6PM to midnight on Sunday evenings, around 1,250 taxi pick-ups occur each hour, on average. This is not significantly higher than the volumes at the airports during other peaks, but with fewer taxis on the road at this time, these trips make up a higher proportion of all trips. Pick-ups in the Bronx and Staten Island, on average, do not make up more than 1% of all trips at any given point in time during the week.

Weekly peaks in the percentage of trips ending outer boroughs are even higher than for pick-ups. Taxi trips





ending in Brooklyn peak at about 18% of all trips, on average, on Saturdays at 4:45AM, reaching similar levels early mornings between 2:00AM and 5:00AM. On Saturdays between midnight and 3:00AM, around 3,100 taxi trips end in Brooklyn each hour, on average. In Queens, drop-off peaks occur at similar times, with a weekly average peak in drop-offs representing 13% of all drop-offs on Saturday at 5:15AM. Around 1,650 trips per hour end in Queens, on average, for Saturdays between midnight and 3:00AM. Drop-offs at the airports peak in the AM between 4:30AM and 6:30AM. On Monday AM, around 21% of all taxi trips end at the airports between 5:00AM and 5:30AM, on average. Trips ending in the Bronx peak at about 3% of all trips on Saturday and Sunday mornings between 4:30AM and 5:30AM.

Taxis are an important mode of transportation to and from the New York City airports. Not only do taxi trips to or from the airport represent 5% of all taxi trips, taxis serve a large portion of all airport passengers. From 2011 to 2013, yellow taxis serve, on average, 26% of all passengers arriving to or departing from LaGuardia Airport¹. At JFK Airport, taxis serve about 10% of all arrivals and departures. The AirTrain at JFK, which travels between the terminals and the Howard Beach station on the A subway line and the Jamaica station on the E, J, and Z subway lines and the Long Island Railroad, carries an equal share of airport passengers (an average of about 11% of all passengers).

Some seasonality exists for taxi travel to and from the airports. In July and August of each year from 2011 to 2013, the share of airport passengers traveling by taxi drops a few percentage points.

¹ Passenger volumes at airports from annual and monthly Airport Traffic Reports published by the Port Authority of New York and New Jersey.

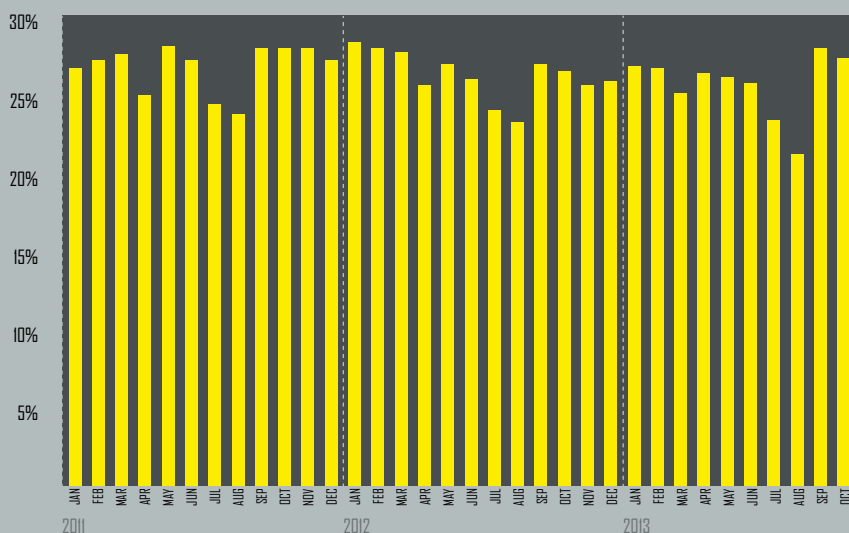
Percentage of Airport Passengers Arriving or Departing by

YELLOW TAXI

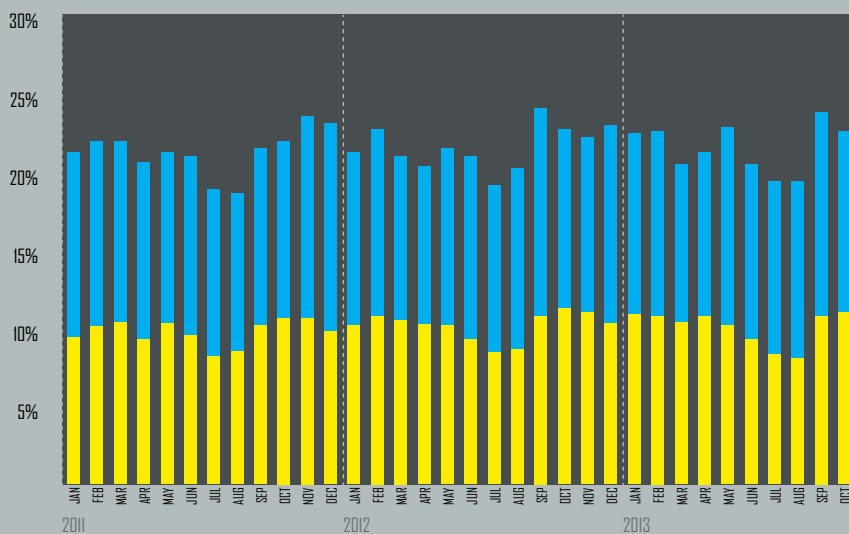


or

AIRTRAIN



LAGUARDIA AIRPORT



JFK AIRPORT

Source: NYC TLC TPEP Trip-sheet data, 2011-2013; PANYNJ Annual and Monthly Airport Traffic Reports, 2011-2013

FARES

The average yellow taxi fare in 2013 was \$13.40, an increase from 2012, when the average fare was \$11.98. This increase of average fares is mostly due to an increase in the rate of fare, which took effect in September 2012.

The average revenue taken in by a taxi driver varies by time of day and day of week. Average hourly gross revenue ranges from around \$26 for Wednesdays at 3AM to just over \$44 for Thursdays at 10PM. After accounting for hourly expenses, including \$1.43 per hour for fuel¹ and amortized lease payments ranging from \$9.58 to \$11.58 per hour, hourly net revenue ranges from \$14 for Wednesday at 3AM to \$31 for Thursdays at 10PM. In comparison, according to the Bureau of Labor Statistics, bus drivers make an average of about \$21 per hour, which falls in the middle of the range for taxi drivers. It is important to note, however, that unlike bus drivers, taxi drivers do not receive employer-sponsored benefits.

Before TPEP systems were introduced to all yellow taxis in late 2008, no taxis accepted credit cards. At the time when credit card readers had been installed in all taxis in late 2008, passengers paid by credit card for less than 20% of all trips, and the share of trips paid by credit card has grown steadily since then. Today, paying with a credit card is more popular than paying with cash, as 55% of all trips are paid by credit card.

Tipping

Tipping by taxi passengers has remained rather constant for the last few years, holding at an average tip of 18%. This tip percentage persisted even after the fare increase in late 2012, meaning drivers are making more in tips since the base for the tip is now higher.

Taxi Fares in NYC Compared to Other Cities

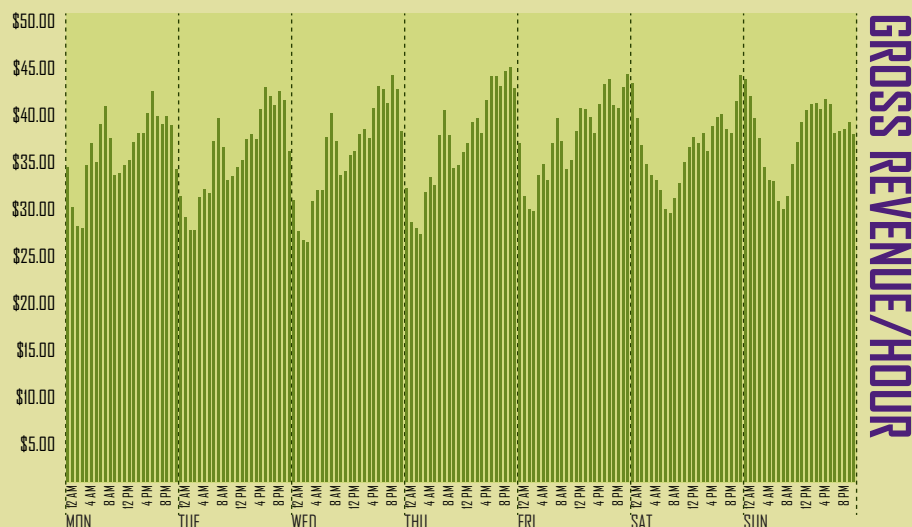
While a ride in a New York taxi may cost more than taking one of the city's buses or trains, the average New York taxi fare ranks relatively in the middle compared to taxi fares nationwide. In a study of the nation's 60 largest metropolitan areas, New York ranked 42nd for a one-mile cab ride with an average fare of \$6.31. For a five-mile cab ride, New York came in at 46th and for a ten-mile ride, it ranked 47th. In each category, New York was less expensive than Boston, Los Angeles, San Francisco, and San Jose. This trend holds true, even after the 2012 fare increase. New York is more expensive than the national average, however². This represents a change from 2006, when the average New York cab fare at the time was slightly below average, coming in 11th out of 14 major U.S. cities with 1,300 or more metered taxi cabs.³

¹ Assumes an average of 11.5 miles travelled per hour, the taxi fleet average fuel economy of 29 MPG, and the 2013 average gas price of \$3.602 per gallon (from eia.gov)

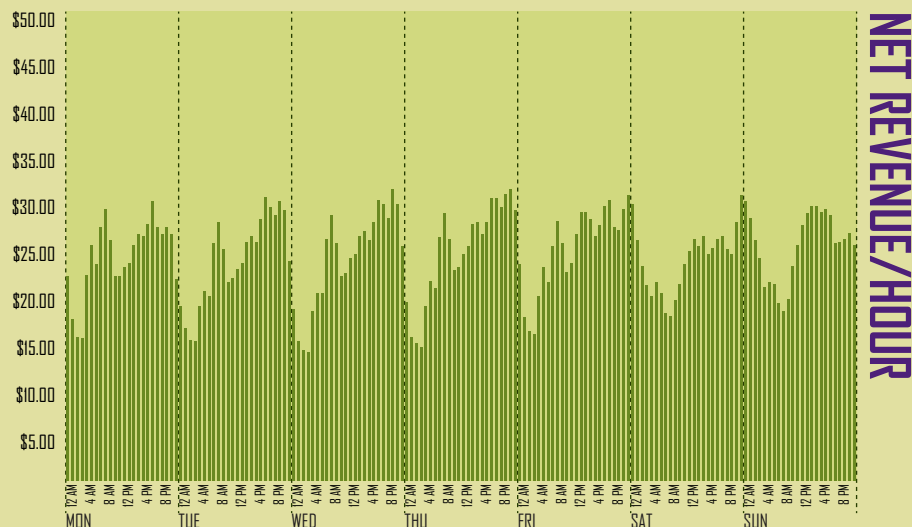
² Nationwide comparisons from taxifarefinder.com

³ Shaller Consulting, "The New York City Taxicab Fact Book," March 2006.

Average Driver Fare Revenue per Hour (Gross and Net)

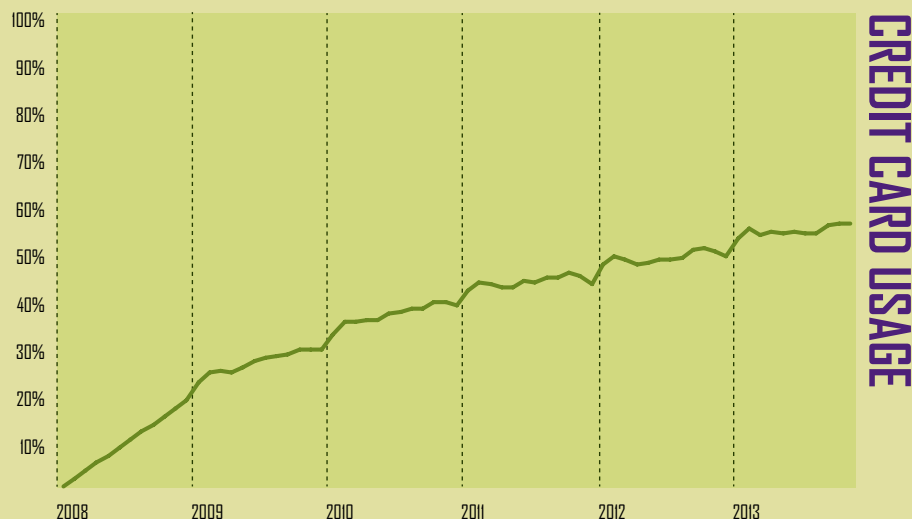


Source: NYC TLC TPEP Trip-sheet data, 2013



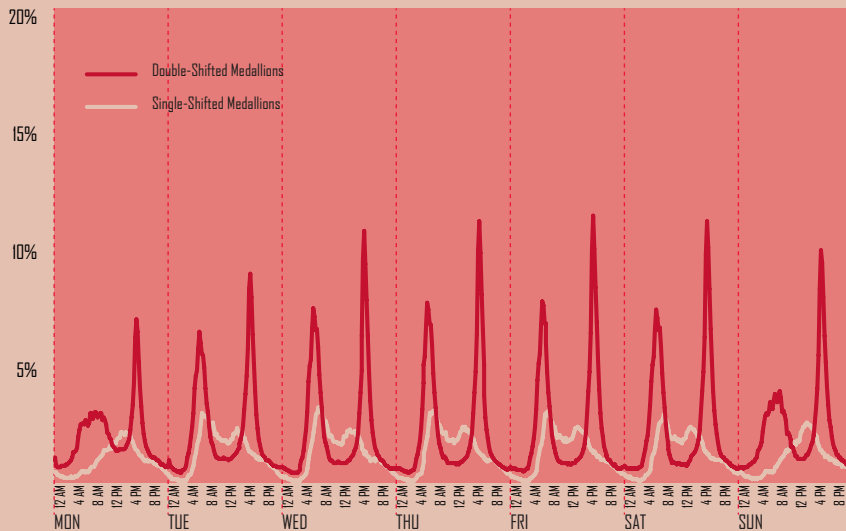
Source: NYC TLC TPEP Trip-sheet data, 2013 and estimates of amortized hourly vehicle lease payments and gas expenses

Monthly Average Percentage of Trips Paid by Credit Card



Source: NYC TLC TPEP Trip-sheet data, 2008-2013

Percent of Shifts Started by Time of Day (15-minute increments)



Source: NYC TLC TPEP Trip-sheet data, 2012

SHIFT STARTS

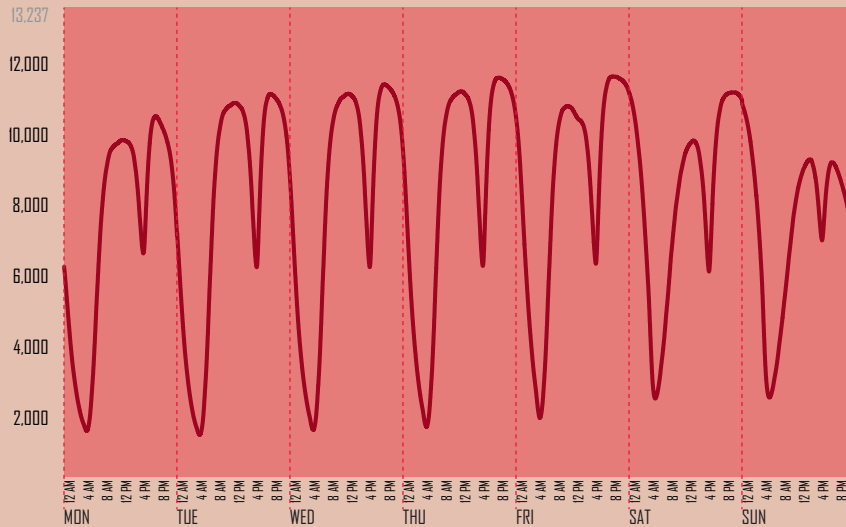
TLC Rules require that all mini-fleet medallions must be operated for two shifts each day. Fleet vehicles tend to start their shifts around a centralized time for both the AM and PM shifts. This is especially true on weekdays, when on average, 39% of vehicles operated under this model start their evening shifts in the 5:00-6:00PM hour, with over 10% starting in just the 5:00-5:15 block alone. The morning shift start times are also clustered to a degree, but less so than the evening shift. In the morning shift, 28% of fleet vehicles begin weekday AM shifts in the 6:30-7:30PM hour, on average.

Although independent medallions do not have the same double-shifting requirements, many of the owners of these medallions choose to operate for two shifts anyway, since leasing out their vehicle for a second shift provides a source of additional income. True single-shifters are a rarity today, as only around 10% of all medallions operate for one daily shift on a consistent basis. Those taxis that are single-shifted start their shifts at staggered times (instead of the more clustered shift start times found in the fleet model). No more than 10% of single-shifted owner-drivers begin a shift in the same hour (and no more than 4% start in any single 15-minute interval).

Taxis on the Road and Taxi Occupancy

The number of taxis available for service varies considerably by time of day and by day of the week. On average, Monday shifts tend to have slightly fewer available cabs than other days of the week, with an average of 72% of all taxis on the road for the AM shift and an average of 77% of all taxis on the road for the PM shift. Similar patterns of service exist for shifts from Tuesday through Thursday, where AM shifts range from 80-82% of all taxis on the road and PM shifts range between 81-85%. Fewer taxis are available on Friday mornings (79% on average), but more taxis are available in the PM shift (85%), and drivers in the PM shift keep their taxis out later into the night. This pattern is more exaggerated for Saturdays where there is not a morning AM rush hour (AM service runs at 71% and PM service runs at 82%). Sundays have the lowest number of available taxis for the entire week, with both shifts running with about 67% of all taxis.

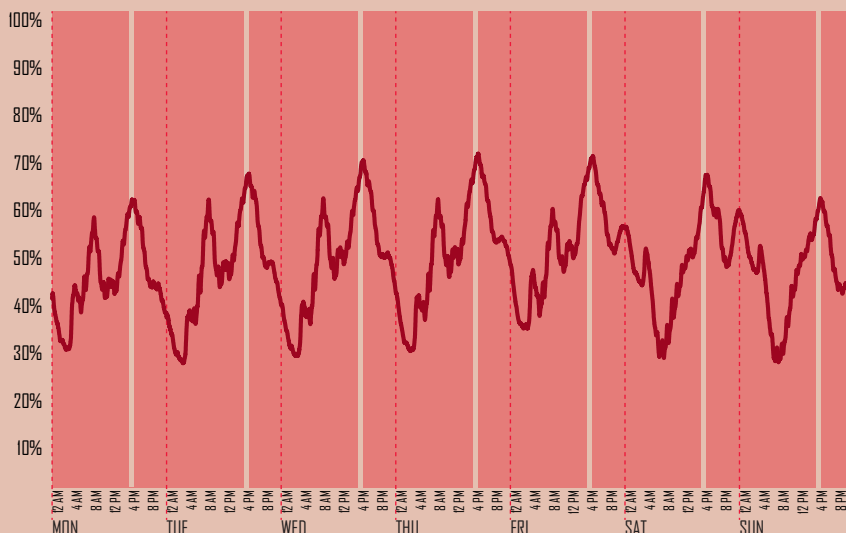
Average Number of Taxis on the Road by Time of Day (15-minute increments)



Source: NYC TLC TPEP Trip-sheet data, 2012

TAXIS on the ROAD

Average Percentage of Taxis Occupied by Time of Day (15-minute increments)



Source: NYC TLC TPEP Trip-sheet data, 2012

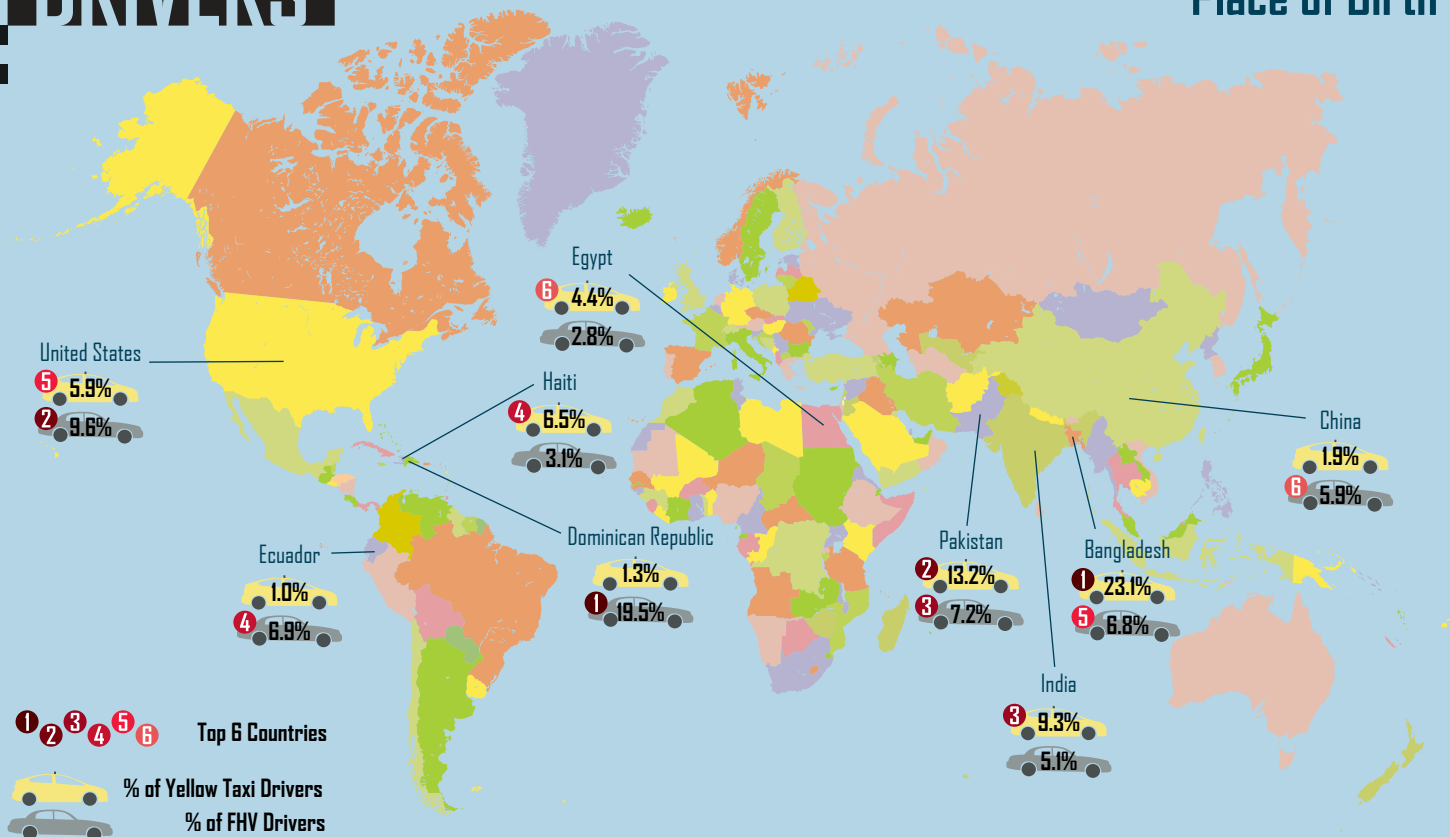
TAXIS OCCUPIED

At the traditional PM shift-change time (from 4PM to 5PM) each day, the number of available taxis on the road drops considerably. On an average weekday, service levels at this time drop 33% from service levels at noon. The large number of taxis changing hands between 4PM and 6PM seems to have a quantifiable effect on a passenger's ability to hail a taxi when he or she needs one. There is a daily spike in the percentage of available taxis that are occupied between 4PM and 6PM each day. On average, 64% of taxis are occupied during these hours.

Aside from these spikes, other areas of high occupancy occur mostly at peak travel times. For weekday AM rush hours (between 8AM and 9AM), the average occupancy is around 56%. For the PM rush hours following the shift change (between 6PM and 7PM), the average occupancy is around 62%. On Friday and Saturday nights, peaks occur around midnight and again at 4AM, when bars close in NYC. At midnight on weekends, 56% of available taxis are occupied, on average, and at 4AM, about 49% of available taxis are occupied.

DRIVERS

Place of Birth



Source: NYC TLC Licensing Data, September 2013

Where Drivers Come From

TLC-licensed drivers come from all five New York City boroughs, 31 U.S. states and the District of Columbia, and more than 175 countries around the world. A handful of these countries have only one driver in the fleet, whereas other countries have tens of thousands.

The highest concentration of yellow taxi drivers comes from Bangladesh, with over 10,250 drivers. Drivers from Bangladesh now represent 23.1% of all yellow taxi drivers. Pakistan comes in second with 5,850 yellow taxi drivers (about 13.2% of all yellow taxi drivers). This represents a shift from 2005, when the highest concentration came from Pakistan (14.4%), and Bangladesh was second at 13.6%. The concentration of drivers coming from the U.S. and associated territories has also decreased from 9.1% in 2005 to 6.0% today.

For FHV drivers, the number one place of birth is the Dominican Republic. Drivers from this country represent 19.5% of all FHV drivers (over 9,000 drivers in total). The second highest concentration of FHV drivers comes from the U.S., representing 9.6% of all FHV drivers (about 4,500 drivers).

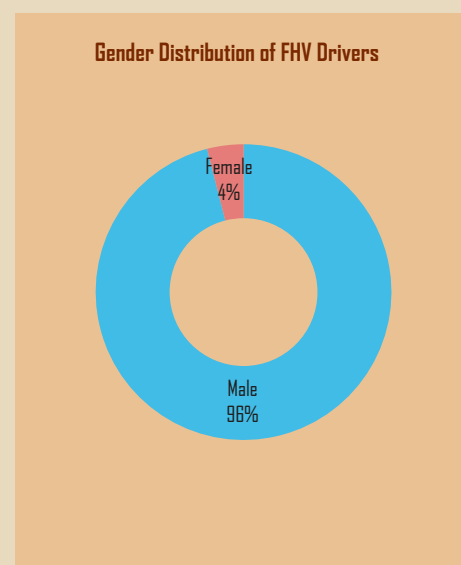
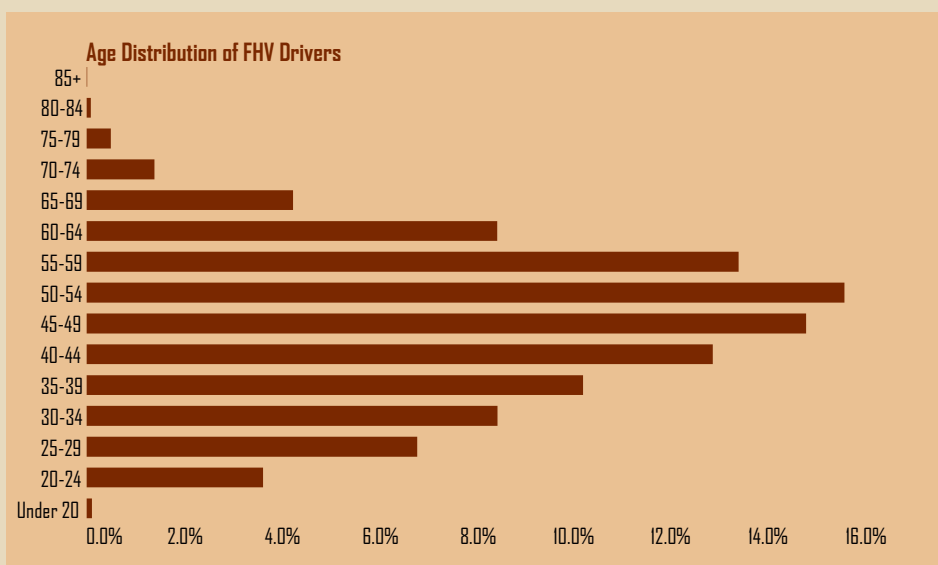
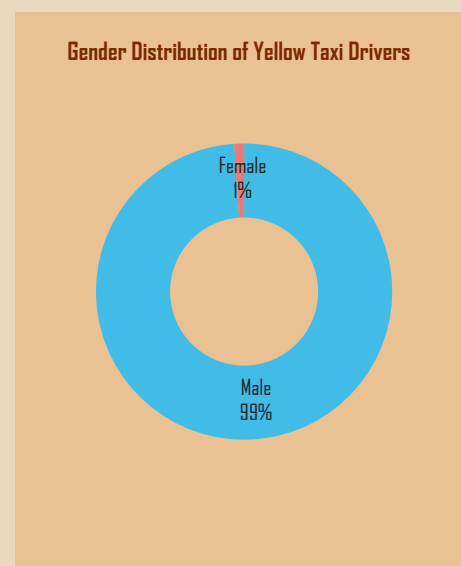
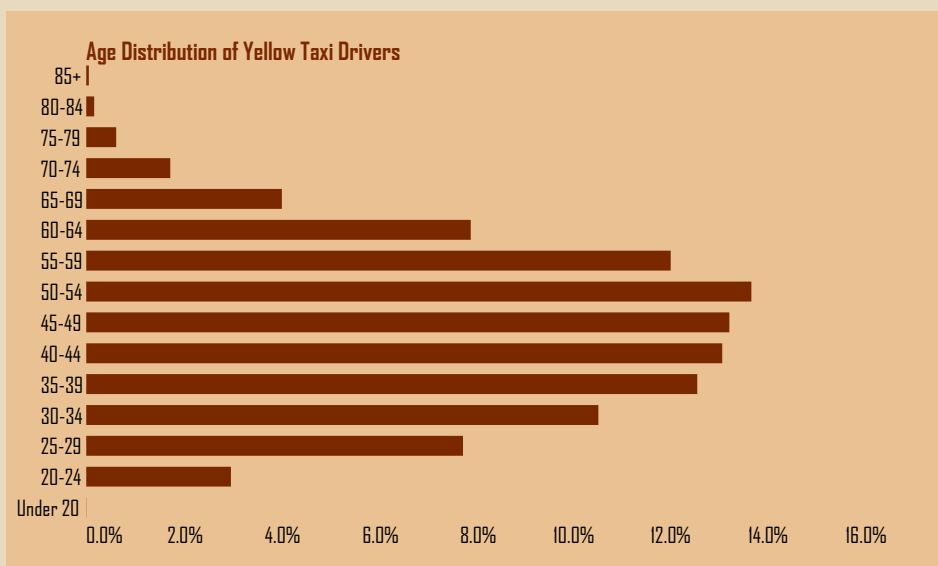
Where Drivers Live

About 88% of TLC-licensed drivers live within the five boroughs that make up New York City. A plurality of yellow taxi drivers live in Queens (about 43%). After Queens, the most popular boroughs are Brooklyn (23%), the Bronx (13%), Manhattan (7%), and Staten Island (2%). In comparison, FHV drivers are more spread out throughout the five boroughs, with 29% of



Source: NYC TLC Licensing Data, September 2013

Place of Residence



Source: NYC TLC Licensing Data, September 2013

drivers in Queens, 24% in Brooklyn, 22% in the Bronx, 10% in Manhattan, and just 3% in Staten Island.

Among those drivers who do not live in New York City, most live in New Jersey (around 6,300 or 6% of all drivers) or in New York State on Long Island (about 4%) or in Upstate NY (2%). Less than one percent of all drivers live elsewhere.

Who Drivers Are

Although female drivers have been behind the wheels of New York City cabs since the 1940s,¹ the taxi industry continues to be nearly all male. This trend has held firm for many, many years. Around 49,500 (98.9%) of today's yellow taxi drivers are male, whereas just 536 are female. The percentage of female FHV drivers is slightly higher, with a total of around 2,300 female drivers (just under 4% of all FHV drivers).

TLC-licensed drivers range in age from 19 years (the

youngest age allowed by TLC Rules), to the oldest, who turned 94 in August 2013. The average age for a New York City yellow taxi driver is 46 years old, up from 44 years old in 2005. For FHV drivers, the average age is 47 years. Looking at the age distributions for yellow taxi and FHV drivers, a larger share of yellow taxi drivers are younger in age than FHV drivers, with about 21% of yellow drivers under 35 years old and just 19% of FHV drivers. The largest age cohort for both groups of drivers is those between 50 and 54 years of age. Around 14% of yellow taxi drivers and 15% of FHV drivers fall into this age group.

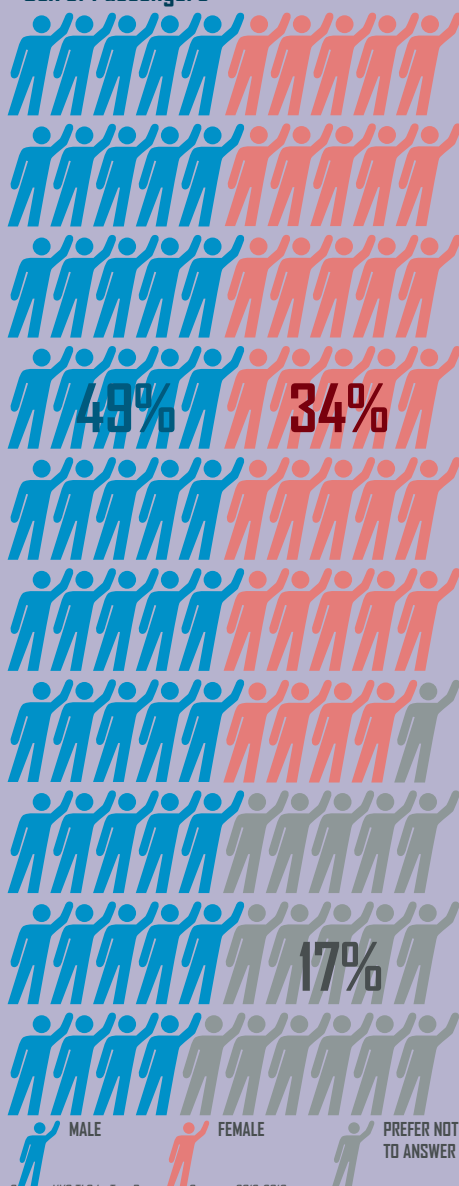
¹ Feeney, Michael J., "Meet Gertrude Hadley Jeanette, New York City's 1st female cab driver," The New York Daily News, 1 April, 2011, <http://www.nydailynews.com/new-york/uptown/meet-gertrude-hadley-jeannette-new-york-city-1st-female-cab-driver-article-1.119418>

PASSENGERS

Yellow Taxis serve around 600,000 passengers every day in New York City. They serve a broad spectrum of people, men and women who are young and old, poor and rich. However, taxi passengers are disproportionately younger and more affluent than the population of NYC as a whole and much closer socio-economically to Manhattanites.

In surveys conducted on passenger-facing monitors in the back of taxis, 49% of taxi passengers reported that they were male and 34% reported that they were female (17% declined to answer). This ratio of males to females is somewhat higher than the gender breakdown for the city as a whole, where men make up 47.5% of the city's total population and women make up 52.5%.

Sex of Passengers



Source: NYC TLC In-Taxi Passenger Surveys, 2012-2013

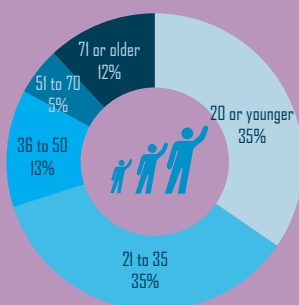
¹ Source: U.S. Census Bureau, 2010 Census Summary File 1, Table P6

² Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates, Table S1901

³ Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates, Table B25044

⁴ Source: U.S. Bureau of Transportation Statistics; Seat Belt Use in the States, U.S. Territories, and Nationwide, 2005-2012; July 2013. Available at <http://www.nrd.nhtsa.dot.gov/Pubs/811809.pdf>

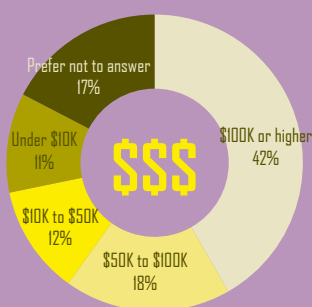
Age



Source: NYC TLC In-Taxi Passenger Surveys, 2012-2013

Over two-thirds of taxi passengers are 35 or under, with 35% of passengers reporting that they are younger than 20 years old, while another 35% report being between 21 and 35 years old. While these age groups are also the largest citywide at 26% and 25%, respectively, they are overrepresented in the taxi passenger population. Those who are 70 and older are also overrepresented at 12% of passengers but just 8% of the city's population. Passengers between 36 and 50 years old are underrepresented at 13% of the riding public and 21% of the total population, as are passengers who are between 51 and 70, who make up 20% of the city's population but just 5% of taxi passengers.¹

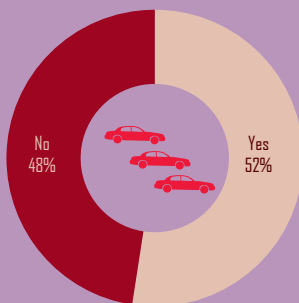
Income



Source: NYC TLC In-Taxi Passenger Surveys, 2012-2013

42% of taxi passengers have an annual household income of \$100,000 or higher while 11% have an annual household income of less than \$10,000. Household annual incomes of \$10,000 to \$50,000 and \$50,000 to \$100,000 represent 12% and 18% of taxi passengers, respectively (17% declined to answer.) Citywide, 24% of the population has a household income of \$100,000 or more per year and 11% have an income of less than \$10,000. In Manhattan, where most taxi passengers live and work, 37% have an income of \$100,000 or higher, which may explain in part why the income bracket is so overrepresented.²

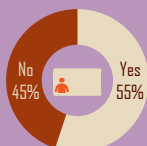
Car Ownership



Source: NYC TLC In-Taxi Passenger Surveys, 2012-2013

A small majority (52%) of taxi passengers own their own cars, which is higher than overall car ownership rates in New York City, where only 44% of all households own at least one car.³

Driver's License



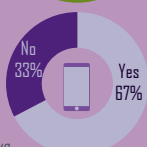
More than half (55%) of New York City taxi passengers have a driver's license.

Seat Belts



Most passengers do not wear seatbelts in the city's taxicabs. Only 38% of passengers reported they were using the taxi's seatbelts while taking the passenger survey. Seat belt usage overall in New York State is about 90%.⁴

Smart Phones



Two-thirds of New York taxi passengers own or use a Smart phone. 55% say they would like the option of using their phone to locate taxicabs, and 54% say they would pay for their rides with their phone if they could do so.

Source: NYC TLC In-Taxi Passenger Surveys, 2012-2013

Types of Medallions

Medallions are small metal plates attached to the hood of a taxi, certifying it for passenger pick-up throughout the city. Yellow taxicabs with medallions are the only vehicles authorized to pick up passengers by street hail anywhere in New York City. There are two different types of taxi medallions, an independent medallion and a mini-fleet medallion. Each has its own set of rules and requirements and transfers at a different price point.

An **independent medallion** is a class of medallion taxicab license in which the owner may only own one medallion, and often has an obligation to drive a minimum number of shifts annually. Owners of independent medallions typically operate as owner-drivers who own both the medallion and the taxi vehicle. Income for owners of independent medallions is derived from the fares and tips received from passengers less the cost of owning and maintaining a vehicle and medallion. Often, these owner-drivers will lease their taxis to a second driver for additional income.

A **mini-fleet medallion** is a class of medallion taxicab license that must be owned in groups of at least two. The owners of mini-fleet medallions own multiple medallions and many maintain a fleet of taxi vehicles that are leased to drivers on a per shift basis. Incomes for fleet owners are derived from lease fees less the cost of operating and maintaining the vehicle.

The Haas Act

Until the mid-1930s, the taxi industry of New York City had no regulation. There were an unspecified number of taxis and there wasn't a set standard for the fares that could be charged by a driver. This changed in 1937 with the enactment of the Haas Act, which established the medallion system.

Originally it set a limit of 16,900 taxi medallions. However, that number was decreased to 11,787 after World War II. It remained unchanged until 1996 when it was increased by 133 medallions to a total of 11,900. As of now, there are 13,437 total taxi medallions in New York City.

The Haas Act classified the two types of medallions in use today: independent and mini-fleet

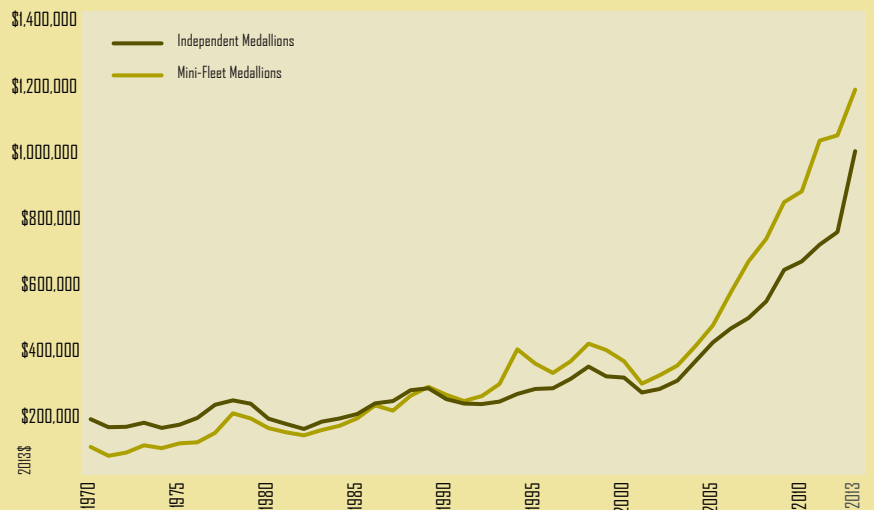
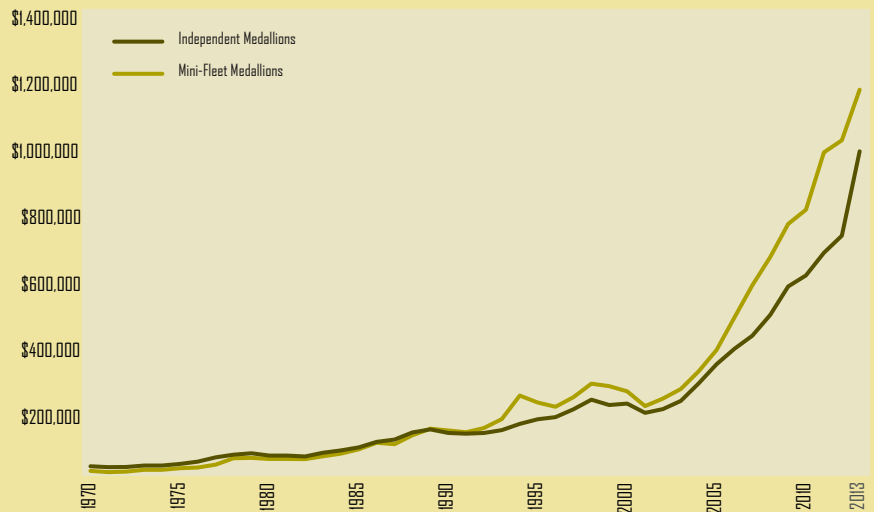
It also set up a nominal "60/40" ratio of mini-fleet to independent medallions

The Price of a Medallion

TLC does not set the price of a medallion; instead, the market sets the price of the medallion. The price of a medallion depends on a number of factors.

- Taxi fares and tips
- Demand for taxi service
- Availability and cost of taxicab medallion financing
- Market for the medallion
- Anticipated return on the investment to acquire a medallion as compared to other investments
- Cost of operating a taxi

Average Annual Medallion Sale Prices



Source: NYC TLC Medallion Sales Database and Consumer Price Index

When medallions first began being traded after World War II under the Haas Act, the average price was \$2,500. It has grown exponentially since then. The average annual price of independent medallions increased 260% between 2004 and 2012 while the average annual price of mini-fleet medallions increased 321% over the same time period. When accounting for inflation, prices still increased 214% for independent medallions and 265% for mini-fleet medallions. The annualized return on investment (ROI) for a medallion over this time would be about 19.5%. In comparison, over the same time, the ROI for a similar investment in the S&P 500 would yield a 3.9% annual return.

The value of a mini-fleet medallion is much greater than the value of an independent medallion. In 2013, the average price of an independent medallion (approximately \$967,000) was about 84% of the average price of a mini-fleet medallion (approximately \$1,150,000). This price differential may be explained by differences in the medallions, such as a requirement for many independent medallions that the owner must drive the taxi, or the fact that mini-fleet medallions are often held by large fleet companies which can more easily lease a taxi for two shifts each day (and thus see a higher return on their investments). TLC data indicates

that about 58% of the existing medallions are mini-fleet medallions while 42% are independent medallions.

Historical Medallion Prices

Medallion prices have increased during periods of medallion sales in part due to the fare increases that have accompanied them. During these periods of sales, independent medallion prices rose 22% in 2004 and 22% in 2005. Mini-fleet medallion prices rose 22% in 2004 and 21% in 2005. In 2006, independent medallion prices rose 14% while mini-fleet medallion prices rose 27%. Medallion prices rose in 2007 as well by approximately 11% for independent and 19% for mini-fleet.

In the Future

Two-thousand wheelchair-restricted medallions are slated to be sold over the next several years. Already, 200 mini-fleet wheelchair-restricted medallions have been auctioned off at an average price of \$2.27 Million (mini-fleet medallions are sold in pairs, making the average price \$1.13 Million per medallion).

INSPECTIONS

A typical New York City cab will drive around 70,000 miles and carry more than 10,000 passengers in a single year. It is important that all medallion cabs and for-hire vehicles receive regular safety and emissions inspections to ensure the safest ride possible for both passengers and drivers. The TLC's inspection facility in Woodside, Queens, has been responsible for inspecting each and every regulated taxi vehicle operating in New York City for more than 20 years.

The Facility

Before the inspection facility opened its doors, the taxi inspection process was completely decentralized. Inspections would take place in 17 different garages and gas stations around the city. While TLC officers would observe these inspections, they had little control over the rigor of the process and there was very little uniformity across locations. On September 1, 1989, the inspection process for the entire fleet of regulated vehicles became centralized at an official TLC inspection facility in Woodside, Queens. The site inspects upwards of 400 cars per day, and conducted over 51,000 primary inspections last year.

The center is committed to honesty within the taxi industry. Security cameras are installed throughout the facility, and supervisors carefully monitor everyone who comes in and out of the inspection area. On the enforcement side, officers have ramped up their efforts to keep unlicensed taxis off the streets in recent years, seizing 7,830 vehicles in the last year, up from 3,000 the previous year and 1,000 in the year prior.

With tens of thousands of drivers coming through the center every day, the Woodside facility has been described as a "little U.N." Inspection reports and violation sheets are translated into twelve different languages, but even that falls short of what inspectors need in order to communicate with drivers from all over the world. Often, they rely on signs, symbols, or one-on-one meetings with mechanics to physically point to the part of the car that needs to be fixed.

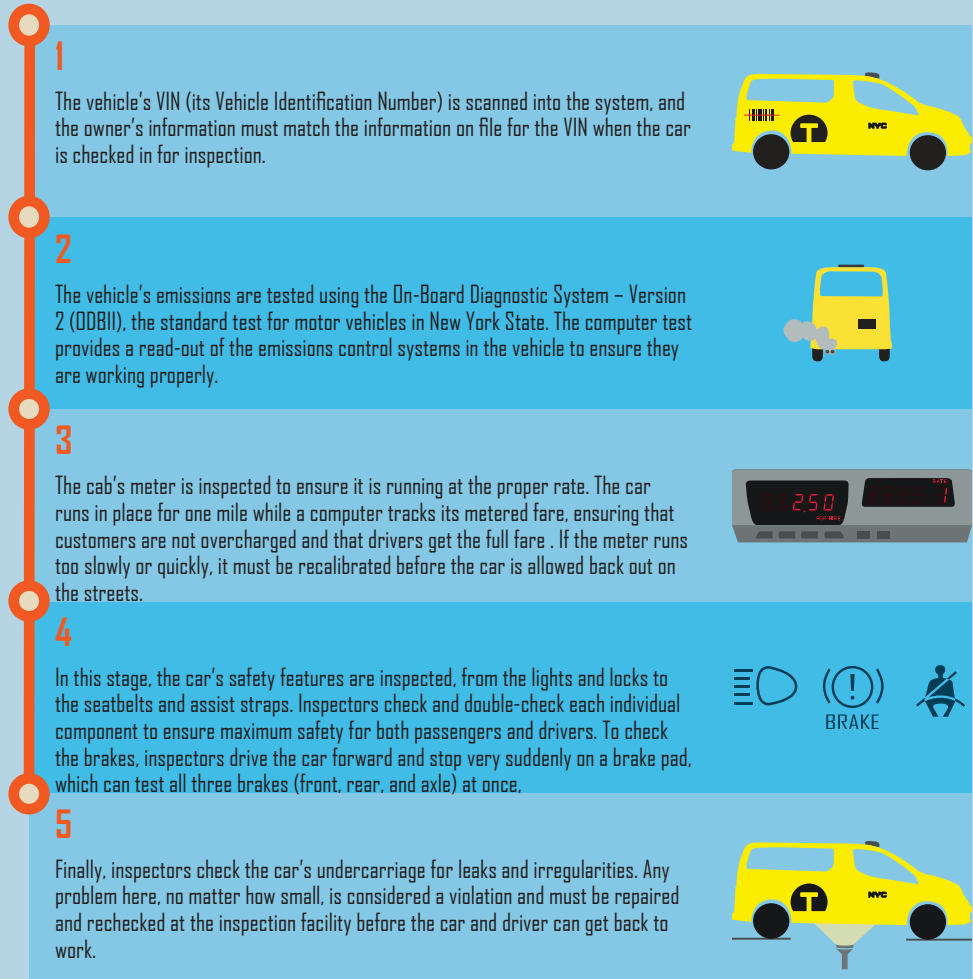
Looking Ahead

With 18,000 new Boro Taxis set to hit the streets in the next several years, Woodside is preparing for tens of thousands of additional inspections each year. To handle the influx, inspectors have converted one inspection lane into an "express re-inspection" lane and plan to make further adjustments to the inspection process to cut down on the time each car spends in the facility.

The staff at Woodside knows that time out on the streets is crucially important to cab drivers, and so they pride themselves on making the inspection process as quick and efficient as possible. A typical inspection takes only 15-20 minutes, and the average wait time for an inspection today is 55 minutes – down from over an hour in 2012 and from over two hours in years prior.

The Process

Each of the 13,237 yellow medallion taxis on the streets of New York City goes through a rigorous inspection process three times per year. The cabs are equipped with 18 different sensors, each one of which is reviewed in the four-stage inspection process.



Frequency of Inspections at Woodside



Black Cars, Liveries, Limos

1x
every 2 years*



Boro Taxis

2x
every year



Yellow Taxis

3x
every year

*Black Cars, Liveries, and Limos must be inspected 3 times a year, but these inspections can be performed at any DMV-licensed facility.

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