The Road to Reform:
A Collaborative Model for Reforming the Taxicab Industry

July 2010

www.advancementproject.org
First:  The road to reform can be long. Be sure everyone is reading the same map.
Second:  Without cab drivers’ expertise, insight, and leadership, changes to the industry – no matter how well intentioned – are unlikely to solve drivers’ concerns.
Third:  Drivers are many. Their ideas are plenty. A community organizer is essential.
Fourth:  Unity is key. Build it and they will stay.
Fifth:  Be transparent and democratic.
Sixth:  Shared knowledge encourages shared responsibility.
Seventh:  Carve out clear roles. Stick to them.
Eighth:  Do a power analysis.
Ninth:  There will be many fires. Be strategic about which you extinguish and how.
Tenth:  The “medallion” solves everything… sometimes.
Eleventh:  It’s not just a job, it’s a profession. Think big!
Twelfth:  Meet new people.
Thirteenth:  Get to know your local legislative process.
Fourteenth:  With driver-leaders identified and a plan in place, communicate, communicate, communicate.
Introduction

Ten years ago taxicab drivers around the country began rising up against the heavy brunt of local laws, policies, and practices that allowed taxicab companies to control and dominate them. Since that time, there has been a steady increase in driver-led initiatives to challenge what have become the industry’s most common harmful hallmarks: exorbitant company-imposed operating fees, long working hours, lack of job security, a negative public perception of drivers and the industry, and barriers to economic opportunity for drivers – many of whom aspire to own their own taxicab operating credentials.1/2

With the provision of taxicab service rapidly evolving from a temporary, pass-through job into a long-term profession, with this action kit Advancement Project seeks to capture the spirit of two initiatives in particular – one led by Tenants and Workers United/Alexandria United Taxi-drivers Organization and the other by the Prince George’s County Taxi Workers Alliance – in which drivers put aside fears of retaliation to reform their local taxicab industry through strategic, comprehensive changes to existing taxicab law. This action kit is designed to help you bring comprehensive reform to your local taxicab industry as well by:

- Providing a brief history of important industry developments
- Examining basic industry structure and defining common industry terms
- Sharing the stories behind cab drivers’ campaigns, and
- Sharing the lessons we learned about the role of drivers’, organizers, and other justice-seekers – such as lawyers and communications experts – in the push for reform.

Taxicab Industry Reform

Since 2003 Advancement Project has partnered with community to address issues negatively impacting immigrants and the communities in which they live. In line with our mission, through our Immigrant Justice Project, we have supported our partners in their efforts to dismantle and reform unjust and inequitable policies that undermine the promise of democracy. This action kit is based on the insight we have gained into designing and implementing comprehensive strategies for reforming taxicab industries in collaboration with the mostly immigrant cab drivers working in Alexandria VA and Prince George’s County MD.
Our work in taxicab industry reform seeks to transform what is now a low-income workers’ abyss into a 21st century industry grounded in workers rights, living wage considerations, transparency, due process, equity, and economic opportunity for cab drivers. Ultimately, it is our hope that current momentum among drivers can be woven into a national, multi-racial movement that unites the expertise of drivers, community organizers, lawyers, and communications experts for this purpose.

**Industry Developments: A brief history**

Without federal or state-level standards to impact the direction and growth of the taxicab industry, its structure can vary widely from state to state and county to county. Thirty years ago however, there was an important similarity across many jurisdictions: cab drivers were considered employees of their company. In the late 1970s this began changing as companies moved away from the traditional employer-employee structure into an independent contractor model. As “independent contractors” drivers made two important gains: (1) the chance to negotiate the terms of their contracts and (2) the ability to set their own hours. For drivers however, these gains were illusory from the outset because most cab companies required their drivers to sign boiler plate contracts drafted by company lawyers. Moreover, many companies imposed exorbitant operating fees which meant drivers had to work long hours. By comparison, cab companies’ gains were clear and remain evident today as drivers no longer have essential worker protections and basic benefits commonly afforded to employees – such as the right to collective bargaining, health and workers compensation insurance, and paid leave. While initial reaction from drivers focused on overcoming the new designation, over time the independent contract model became the national norm.³/⁴

Following the eradication of workers’ rights taxicab operating credentials became a hot commodity sought by many non-drivers including taxicab companies, financial speculators, investors, and ordinary individuals who, by matter of law or practice, were allowed to buy them.⁵ With access to operating credentials made readily available to non-drivers whose business interests were both distinct and legally detached from those of cab drivers, what little bargaining power and aspirations for economic independence remained was undermined even further when local taxicab policies, practices, and laws were not updated to reflect the industry’s shift to the independent contractor model. One such provision common in many jurisdictions was the practice of capping the total number of taxicabs that could operate in a jurisdiction but not the number of individuals who could be licensed to drive them. Thus, while an imbalance between cabs and cab drivers may have existed before the shift to independent contractor status, after the shift this practice proved lethal to drivers’ dreams of economic opportunity because it created a pool of excess drivers – all equally devoid of workers’ rights – which cab companies could use to replace drivers who complained about working conditions or attempted to organize.⁶ It is not surprising then, that many cab drivers now view the scant benefits of independent contractor status as largely overshadowed by industry practices and local laws that are critical of cab drivers but lax toward cab companies. That is not to say that cab drivers are preparing to give up their independence. To the contrary, they seek to maintain their independence while improving working conditions and economic opportunity.

**Industry Structure: The Basics**

Because the taxicab industry is governed at the local level its structure and characteristics vary by jurisdiction. To begin understanding the structure of your local industry, we recommend two important steps: First, if you are not a cabdriver, have a conversation with them; they know a lot about how the industry operates in practice – though you may later discover that industry “practice” is not always aligned with industry law. Second, no matter how familiar you are with industry practice, read the taxicab code. An easy way to get a copy of the code is from the agency that issues the taxicab drivers’ test. Cab drivers know exactly who that agency is. You can also find the code in your jurisdiction’s local laws.
Taking from our work and research however, below we identify key industry features – some of which you may find codified in your taxicab code and others which will likely appear, in variation, as local policy and practice.

Number of Cabs

Most jurisdictions authorize the operation of a fixed number of taxicabs. Among drivers this is the preferred structure because it prevents a deluge of cabs and it increases the value of the taxicab operating credential. The local body charged with overseeing the industry, such as a taxicab commission or board, has a hand in deciding what the final number will be. Their recommendation is usually based on the results of a periodic analysis of population growth rates, the jurisdiction’s projected development – including housing and business development – as well as the public’s current taxicab service needs and the existing fleets’ ability to meet them. You can access information on projected development and local transportation needs through your jurisdiction’s annual reports or sector-specific reports, such as your local or regional transportation plans. The exact factors to be used in the analysis however, can vary by jurisdiction. The taxicab code or its regulations may state what factors should be taken into consideration and may set forth requirements for when the analysis must take place. In the city of Alexandria VA for example, the review must take place annually while in Arlington County VA it takes place on a biennial basis during even numbered years.

Taxicab Ownership

In most jurisdictions every taxicab must be directly authorized by the jurisdiction’s governing body. Most often this is achieved by issuing each cab its own taxicab operating credential however, this is not always the case. In some jurisdictions, such as Arlington County VA, cab companies are issued a business certificate indicating how many taxicabs they can operate and are simultaneously assigned identification numbers for each cab. The identification numbers however, do not exist independently of the business certificate. Moreover, where the taxicab operating credential exists independently, the owner of the credential and the owner of the cab are not always one in the same. This is an important consideration because cab
drivers who drive their own vehicle usually pay lower company-imposed operating fees. Advancement Project’s work has uncovered three basic ownership structures: (1) company-owned cabs, (2) driver-owned cabs, and (3) a shared ownership model.

**Company-owned cabs.** The company-owned option affords drivers the least amount of bargaining power because the company owns both the cab and its operating credential, forcing drivers to lease the complete package from the company. As a result, the cab company alone sets the terms of the lease, making this the most expensive option for drivers. Moreover, we discovered that in both Alexandria and Prince George’s County, most drivers were not given a copy of the lease either before or after signing it. This practice is contrary to the idea that as independent contractors, drivers should have an opportunity to negotiate the terms of their contract.

**Driver-owned cabs.** Where the cab but not the operating credential is owned by the driver, drivers can negotiate lower operating fees. Drivers bargaining power however, does not increase in proportion to their ability to negotiate a good deal because someone else – usually the taxicab company – continues to own the most valuable bargaining tool in the industry: the taxicab operating credential.

**Shared ownership.** Based in joint ownership of a car that was initially owned solely by the driver, in this model the underlying agreement between the driver and the cab company is usually unspoken and therefore largely untraceable. This option is the most harmful for drivers who commonly view shared ownership as a temporary exchange for lower fees. The company however, usually effectuates the deal by removing the driver’s name from the vehicle’s title altogether.¹⁰
Restrictions on how the credential is used, and by whom, may not be harmful to drivers. However, restrictions on transferrability are. Transferring the credential (i.e., selling it) to a new, qualified owner is key for driver-owners who, as independent contractors, leave the industry without a company-sponsored retirement plan and rarely having earned enough during their years of service to have adequate retirement savings.
Fee Structures

Fee structures also vary by jurisdiction both in amount and name. The fee drivers pay to the taxicab company or the owner of the operating credential can be known as a lease-fee, rent, or stand dues, for example. In some jurisdictions the operating fees are paid daily while in others they are paid weekly. Few jurisdictions – New York City being one – set a cap on these fees however, giving the owner of the operating credential the freedom to set the fee as high as s/he wants. Moreover, where cab companies own many or most of the operating credentials, that freedom can be used as a tool for retaliation because companies are free to raise the fees or to refuse to negotiate lower fees, at their convenience. In Prince George’s County for example, even in the midst of the economic crisis that gripped the nation in 2008 and 2009, cab companies held fast to their weekly operating fee of $330.

Lastly, because operating fees are rarely governed by the taxicab code, drivers can pay radically different amounts. For example, in Montgomery County MD individuals driving for the county’s largest company pay upwards of $100 per day while drivers at other companies pay less than $500 per week. By comparison however, cab drivers in neighboring Washington DC can pay as little as $125 per week. Despite jurisdictional differences however, the end result tends to be similar: high fees can divert more than 50 percent of drivers’ annual earnings back to the credential owner.

Dispatch Service

Dispatch service is used to connect customers to drivers. This service can be particularly helpful in suburban jurisdictions where passengers do not customarily flag taxicabs for service but instead request a pickup by telephone. Some jurisdictions require taxicab companies to include dispatch service in their business plan and may go so far as to require that the service be available 24 hours a day. Other jurisdictions however, may not have a mandatory dispatch requirement. An optional dispatch requirement works best in urban areas where drivers can readily do business by “cruising” for customers or in jurisdictions where they can “stand” at subway or metro stations. Moreover, with more drivers interested in starting cooperatively held taxicab businesses, optional dispatch requirements represent an opportunity for drivers to start their own dispatch service company. In the end, though it can be exceedingly good for business if cabs are dispatched to customers in timely fashion, dispatch service has the potential for grave misuse if it is the primary means by which drivers do business. In some cases we have seen dispatch service double as a tool for retaliation or as a mechanism for dividing drivers where for example, company dispatchers use it to manipulate who gets the “long fares” (i.e. trips that would generate the most money).
The Drive for Reform

In Alexandria VA and Prince George’s County MD cab drivers were moved to seek reform after years of working in an industry that gladly accepted their labor and their money but was hard-pressed to give them anything in return. In 2003, when the Alexandria campaign began, drivers were paying $165 a week to their cab company in the form of mandatory operating fees. Four years later, when cab drivers in Prince George’s County began mobilizing, drivers in that county were paying $330 a week. Yet starting every week off indebted to their cab company was not their only burden; in both jurisdictions the drivers – who were largely people of color and mostly immigrants – complained about being treated with disdain by their cab companies and having to pay exorbitant operating fees in exchange for a shoddy company-owned cab and nearly non-existent marketing strategies. Drivers in both places also complained of company dispatchers who distributed the most lucrative fares to their “friends” – noting that those friendships were built on a culture of giving dispatchers cash in exchange for special consideration.

Drivers also had remarkably similar complaints against taxicab inspectors and the agencies they worked for who, drivers claimed, held their feet to the fire for the smallest of infractions but looked the other way when cab companies blatantly broke the rules. There was also the matter of transparency and accountability – or the lack of it. Drivers in both jurisdictions complained that there was no mechanism for filing a confidential grievance with the oversight agency against their cab company, nor a way to file an actionable grievance against taxicab inspectors who allowed cab companies to operate outside the law. The most compelling similarity of their respective complaints however, was the thoughtfully expressed futility of working in an industry where no matter how many years they worked, and how good they were at moving riders swiftly and timely to their final destination, they would never have the chance to move up the ladder of success – success being measured by the opportunity to be small business owners in possession of their own taxicab operating credential and cab.

Additionally, drivers in both jurisdictions felt they were locked into the difficult role of low-income workers because their industry was monopolized. A lawsuit, they claimed, could not only break up the monopoly but also free taxicab operating credentials giving individual cab drivers the opportunity to own one. In their early conversations with Advancement Project, drivers were firm in their belief that this one change would solve everything including making all the other problems plaguing the industry, disappear. Interestingly, while drivers in Alexandria were correct in believing that one person owned the majority of cabs, the situation in Prince George’s County was quite different.
There the industry was controlled by three individuals who, through an intricate web of non-existent cab companies and illegal subleasing of taxicab operating certificates, managed to come into control of ¾ of the county’s 785 taxicabs. Not realizing however, that litigation – in this case complicated anti-trust litigation – could drag on for years and in the end still leave drivers empty-handed should it fail, drivers in each location proclaimed they expected change to come swiftly. Yet once we asked drivers to consider if they would continue in the business should the other issues on their vast list of problems remain intact, they quickly realized fixing one issue – even one as important as breaking up a monopoly – would not bring the economic freedom they were hoping for.

Explore your options. Litigation is but one tool for resolving problems and generally a tool to be used as a last resort. However, it can be a lengthy process. If moving collectively, drivers can impact their working conditions through approaches that are less adversarial than lawsuits.

We encourage you to think creatively and strategically about the importance of drivers to the jurisdiction’s overall goal of ensuring taxicab service is available.

With that realization, drivers began thinking boldly about all the changes they would like to see and how those changes would improve the industry. Energized by the possibility that the taxicab industry did not have to be structured the way it had for the past 20 years, drivers began thinking about creating an industry in which cab drivers could earn an income capable of sustaining their families, where they could work with dignity – either independently or collectively in cooperatively held cab companies – and they marveled at the idea of laying the foundation for a modernized industry capable of promoting economic opportunity and freedom for its drivers rather than binding them to the cab company for which they work.

Viewing the possibilities through this lens, drivers in Alexandria identified five goals: (1) taxi cab permits should be issued to the driver rather than the company; (2) permits should be transferable from one driver to another; (3) drivers should be free to move from one company to another; (4) enforcement of the law requiring companies to provide 24-hour dispatch services; and (5) a dispute resolution process. Four years later drivers in Prince George’s County identified three broad goals that were, in the end, designed to produce virtually the same result as in Alexandria. Their goals included: (1) improve quality of taxicab service, (2) create economic opportunity for cab drivers, and (3) improve transparency and accountability between cab companies, drivers, and the county.

In partnership with Advancement Project, AUTO’s organizer and in Prince George’s County, the drivers themselves, set about translating their goals into the taxicab code. This required reading the code carefully to identify those sections that needed to be amended or sections that would have to be newly created, in order to achieve the changes drivers sought. This participatory review of the code was important for everyone involved because it meant that we, as much as the drivers, were strengthening our insight into the law. For example, it became readily apparent that the taxicab code in both jurisdictions was riddled with fines and sometimes criminal sanctions for cab drivers who violated the code however, cab companies who violated the law were rarely subject to such severe consequences.
Lessons Learned

Both campaigns had several important aspects in common. Chief among them: taxicab drivers inspired and led both campaigns. Additionally, driver-leaders shared the overarching goal of ensuring individual drivers would have the chance of owning their own taxicab operating credentials. Lastly, drivers did something unconventional: they were willing to look for the solution to their problems beyond the four corners of existing law, to a law that did not yet exist.

First Lesson:
The road to reform can be long. Be sure everyone is reading the same map.

If you say the word “change” to cab drivers you are likely to get their attention. As workers in an industry without fringe benefits, where long hours are the norm, and what could be modest annual earnings become poverty wages due to exorbitant company-imposed operating fees, most drivers welcome a conversation about “change.” Ask them what “change” should look like however, and the road to reform can rapidly become a superhighway of vastly different ideas.

In Alexandria and Prince Georges County, some drivers believed that change should come at the hands of lawyers and lawsuits. Others thought it should be pursued through strikes where drivers protest working conditions, believing that decision-makers would fix the problems once they heard about them. Still others believed that work stoppages coupled with litigation would create the pressure needed to usher in the change drivers sought.

Though these perspectives may sound vastly different, they all have something in common: they leave little room for drivers to design their own future because they put drivers’ fate in someone else’s hands. Viewed in this way, what will likely not get put on the table as an option is the idea that drivers can achieve change by revising the taxicab code itself. If done carefully and strategically, revisions to the taxicab code can infuse the industry with worker protections – notwithstanding drivers’ status as independent contractors – improve working conditions, economic opportunity for drivers, and simultaneously resolve broader industry problems. These types of changes are key for cab drivers because as independent contractors they do not have the protections commonly associated with employee status. For example, they do not have the right to unionize, which makes it easier for cab companies to institutionalize high taxicab rental fees and impose company-drafted contracts.

Before calling on drivers to coalesce around the pursuit of “change,” create a road map to help drivers visualize how change will be achieved. A good place to start is by answering two basic questions:
• What is drivers’ ultimate goal and
• What will drivers’ role be in getting there?

Revisions to the code can also re-position the industry so that its public image and business structure better align with what the industry has become: a bona fide profession staffed by individuals committed to providing an important transportation need. Although the latter change may sound purely cosmetic, it can
be very important to drivers because many of them do not view their decision to become taxicab drivers as temporary in nature but rather, as their profession. Moreover, moving decision-makers away from the idea that driving a cab is merely a pass-through job for a worker on her/his way to something better, will strengthen drivers’ argument that the industry and the laws that govern it, need a comprehensive overhaul.

The idea of revising the law however, can sound daunting and perhaps even unattainable. This challenge makes a clear “vision” for change all the more essential. To avoid potential roadblocks to progress caused by competing ideas, we recommend that driver-leaders formulate a basic road map for change. Of course this map can be refined as the campaign develops, but a clear and basic “vision” will give others – drivers as well as non-driver allies – a sense of where the initiative is heading. What is more, a clear vision is key if you are to get and sustain the buy-in you will need to achieve reform.

As part of this map, include an honest estimate of how long the initiative may take. This is an important point because drivers may already be tired of struggling under difficult working conditions and they may want change to come right away. Truth be told, the struggle for comprehensive reform is likely to take some time. In both Alexandria and Prince George’s County for example, the reform effort took over three years.

Second Lesson:
Without cab drivers’ expertise, insight, and leadership, changes to the industry – no matter how well intentioned – are unlikely to solve drivers’ concerns.

Taxicab drivers’ unique insight into the underbelly of the industry makes them particularly well suited to identify the industry’s many shortcomings. Creating a laundry list of problems that are left for others to resolve however, is not likely to produce a positive result for drivers. Advancement Project’s strategy for assisting cab drivers in their pursuit of economic justice was always grounded on an extensive collaboration with the drivers, which included a reliance on the drivers’ expertise in providing taxicab service and insight into how the industry works. Drivers’ direct input is especially important where the reform strategy includes revising the taxicab code because filtering the law – including its strengths and weaknesses – through the lens of cab drivers can help you avoid seemingly small oversights that can produce unfortunate changes down the road.

Third Lesson:
Drivers are many. Their ideas are plenty. A community organizer is essential.

One of the most pronounced differences between the Alexandria and Prince George’s County initiatives is the presence of a community organizer in the former and the absence of one in the latter. Reform is chal-
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Challenging and intensive. There are a lot of moving parts. While lawyers and communications experts can be creative thinkers who bring a lot to the table, community organizers are essential in unifying and mobilizing cab drivers to achieve a common objective. For example, community organizers have the skills necessary to unify drivers around a set of shared goals. Developing shared goals can be particularly challenging and time-consuming because, as we noted previously, drivers tend to have diverse views on what success looks like and how to get there. A strong organizer will help facilitate the development of these goals which, in turn, will serve as the foundation upon which the campaign is built.

The AUTO struggle was fortunate to have the guidance and expertise of Jon Liss from Tenants and Workers United. His skills as an organizer, including his sharp eye for matters impacting worker equity and his ability to unify drivers and sustain that unity in the midst of a slow, frustrating process were invaluable. Advancement Project attorneys learned tremendously from him, allowing us to better assess and subsequently challenge the industry in Prince George’s County – which was in far dire straights than Alexandria. With the benefit of immersion in both initiatives however, it is clear that key components to a successful driver-led struggle – such as building unity among drivers, identifying and strengthening leaders, developing multi-faceted strategies and timelines for success, and creating a diverse base of support – developed more slowly in Prince George’s County because they did not have a community organizer.

Fourth Lesson: Unity is key. Build it and they will stay.

Drivers in both jurisdictions often joked that cab drivers are better equipped at spreading news than most media outlets because they can pass information from point A to Z with lightening speed using their cell phones or simply through conversations while waiting at taxicab stands. While this skill was incredibly helpful for calling emergency meetings or rallying around drivers being targeted for retaliation for example, unfortunately it also helped spread rumors. It was not surprising then to find that drivers in both initiatives regularly struggled to build and maintain unity among the leadership team as their confidence in each other sometimes came dangerously close to succumbing to misinformation.

With similar demographics in both Alexandria and Prince George’s County, similar dynamics arose: some American-born drivers, who were often in the minority, viewed the change-effort as an immigrant issue and advised others to stay away; Ethiopian drivers often divided along their native regions and political affiliations, each claiming the other was trying to situate itself as the group in power; and the historic divides between Pakistan and India often meant drivers from these countries were slow to warm to each other even though they all suffered equally in their roles as cab drivers. Moreover, at any given moment individual drivers would be accused of forming “secret alliances” with cab companies or any other person that might be opposed to change. As Jon Liss aptly said of the Alexandria struggle, “there were tensions.”

“The general membership meeting was a den of spies.” – a common claim made by drivers in both campaigns.

Due to the prevalence of rumors in both jurisdictions drivers had to devote many months to identifying and sustaining a core group of individuals who would commit to working through differences rather than abandoning the cause. This was especially true in the early stages of the campaign. This work was critical because with every driver-leader who walked away, another had to be trained and quickly brought up to speed which was a drain on much needed time and resources. Together we soon discovered that the best way to start the unity-building process was for the driver-leaders who had already committed to seeing the initiative through, to invest time figuring out who the natural, trusted leaders were within each community of drivers. In this way those individuals were given the opportunity to either come to the table on behalf of their community or to identify someone else who they deemed to be a committed leader. This approach eventually produced a core of driver-leaders who were willing to stand firm for all drivers without regard to individuals’ race, national origin, religion, or citizenship status.
Drivers, however, are not the only focus of rumors. In fact, lawyers and the organizations they work for make good targets too. Rumors left unresolved however, can greatly undermine drivers’ confidence in the initiative. In both Alexandria VA and Prince George’s County MD approximately one year into the initiatives, some drivers claimed the reform process was moving slowly because the longer the process took, the more the lawyers got paid. Some of the drivers were frustrated with the pace of the process. Others were unhappy they were not identified as leaders in the campaign. These drivers misunderstood or misrepresented Advancement Project’s role in the initiative. At the outset of our work however, Advancement Project was presented to drivers as a nonprofit civil rights and racial justice organization that does not charge for its services. Both the Alliance and Advancement Project understood that rumors suggesting the lawyers had a vested interest in delaying the process would negatively impact driver morale. Thus, together with the leadership team, we devised a two-step response to the rumors: First, the leadership team chose to firm up their outreach plan by spending more one-on-one time with drivers in the field. In Prince George’s County in particular, because it is a large jurisdiction, the drivers divided the county into regions, assigning each region a primary driver-leader whose responsibility it was to keep the area drivers updated on the Alliance’s progress. Second, we revisited Advancement Project’s role as a partner in drivers’ struggle for economic justice, bringing this conversation to the floor during a general membership meeting to give all attendees the opportunity to ask questions. We also encouraged drivers to learn more about Advancement Project by visiting our website and if need be, calling us directly to inquire about our fee structure – all of which leads us to the next lesson: the importance of transparency and fairness.

Fifth Lesson: Be transparent and democratic.

With unity sometimes fragile, rumors sometimes rampant, and big changes to the industry afoot, transparency is key. This applies equally to drivers in their interactions with each other as well as to interactions between and among driver-leaders, the organizers, lawyers, and communications experts joining them. A well developed timeline/work plan can help foster transparency by ensuring everyone – especially the leadership team – is on the same page. This further helps ensure that the information individual leaders subsequently share with other drivers, is aligned. With everyone receiving the same information over time rumors, misunderstandings, and the divisions they engender begin to fade, replaced with the common knowledge that all questions can be taken directly to the leadership team.

Fairness in decision-making is also essential. Where there are varying ideas on what “next steps” should be, collective decision-making that includes the opportunity to vote on options goes a long way toward keeping the peace. Moreover, democratic processes can help create an environment in which drivers can express their opinions and bring their ideas to the table, without being unduly criticized or worse yet, overlooked altogether. Over time this process can transform meetings into an inclusive space where broad participation leads to a balance of power among a group of drivers with diverse ideas. At the end of the day, transparency and fairness helps strengthen unity.

To strike or not to strike? That is not the only question.

Drivers like to strike because they know it is a powerful mechanism for making a statement. An effective strike however, requires planning to identify the date, duration, location, and messaging for the event. Therefore, designing one should involve input from as many drivers as possible – which means the “strike team” should be prepared to receive many suggestions on how to proceed. One way to manage the suggestions fairly is to ask drivers to offer their ideas in the DDL form: propose a date for the strike, its duration, and its location with a two or three minute summary of why the combination would be effective. Then vote!
Sixth Lesson: Shared knowledge encourages shared responsibility.

While it may be unwieldy for the leadership team to reveal every aspect of its reform strategy to all drivers, it is nevertheless important to share information. Regular and timely updates after meetings with decision-makers are especially critical as the general membership will likely have its ear to the ground, wanting to know what happened – and rightly so. Providing regular updates regarding what took place behind closed doors, particularly where there was a favorable development, not only compliments the idea of transparency, it also builds the general membership’s confidence in the campaign by demonstrating that all drivers are part of the win. Moreover, with drivers buy-in their willingness to take steps when called upon to move collectively is much more easily obtained.

AUTO used a newsletter to keep drivers informed. Additionally, their community organizer regularly visited metro stops – where many drivers could be found – to provide updates and receive questions. These efforts helped drivers feel connected to the struggle and helped them to better understand that victory would come from the support and actions of many drivers acting collectively rather than a handful of drivers with the courage and commitment to stand up to the status quo. Regular outreach allowed AUTO to pack multiple meetings of Alexandria’s city council with drivers who gave public testimony regarding their difficult working conditions and the calamitous state of the industry in the presence of cab company owners and their lawyers who regularly attended the meetings. The Prince George’s County Taxi Workers Alliance did not call its first 24-hour county-wide strike until nearly two years after it had formed. Cab companies and some drivers scoffed at the idea of such a large strike, claiming the Alliance could not convince 200 drivers – much less all 785 of them – to stay home. On December 18, 2008 nearly abandoned taxi stands at metro stations told another story, proving that nearly 24 months of outreach could produce a unified body of drivers willing to travel the same road in pursuit of a shared goal.

Seventh Lesson: Carve out clear roles. Stick to them.

This is especially important for the lawyers: be clear on what your role in the initiative is. If you are limited to helping with the overall initiative, say so. If you cannot provide assistance on matters ranging from landlord tenant issues, to moving violations, to insurance claims, by all means make your role clear – and stick to it. The slightest divergence, even if you meant it to be “just this time” will either open the flood gates to more requests or it will serve as fuel for rumors that you favor one community of drivers over another. Don’t do it!

Instead, consider reducing your role and that of your organization – especially where the organization will be bringing other expertise to the table, such as strategic communications – into writing. A Memorandum of Understanding between your organization and the driver-organization can fill this need but a written instrument alone will likely not fend off inquiries from the general membership. We recommend the following two-prong strategy to help everyone transition into the new partnership:

- First, with leadership’s buy-in, explain your role to drivers during a general membership meeting. General membership meetings are a good place to do this because you may have several hundred drivers in the room. Do not simply recite the MOU, however. Rather, consider capturing the “spirit” of the MOU in a power point or something interactive. And always encourage questions.

- Second, encourage the leadership team to become the first point of contact for drivers who want to speak directly to you about issues. This is not to say that the leadership team should be responsible for deciding who ultimately gets to speak to you, but with the leadership team as an intermediary drivers may be more inclined to keep their requests to issues that fall within the parameters you described.
Another one for the lawyers: call on your driver-leaders to be leaders and just as importantly, give them the space to lead. They will need ample space and support in which to grow their leadership skills because reform can be slow and taxing and we all get discouraged sometimes. During moments of frustration especially, drivers – who may be challenging a powerful and well resourced status quo – may start wondering whether it would be faster and/or more effective to just let the lawyer do the talking. Moreover, through careful consideration of your own lawyering style you might discover that you are encouraging this view. For example, you may be encouraging it if you regularly have important conversations or meetings with industry decision-makers without including drivers or if you tend to speak for, first, or more than drivers at these meetings. Instead, encourage driver-leaders to take their role by the horns; encourage them to take the lead on meetings with county officials, for example. If need be, insist on it but give them the tools they will need to succeed: help them create talking points and prepare drivers to participate in the meeting as well as you would prepare a client for a deposition. Lastly, whenever you can, attend the meetings with them but provide input only when necessary.

**Eighth Lesson: Do a power analysis.**

Drivers are full of insider knowledge when it comes to the industry’s day-to-day operations. They also know a lot about the industry’s local history, such as whether cab companies have changed ownership over the years, whether they have grown in size, whether there is any animosity between competing companies, and what companies’ relationship is with the hack office (the office that inspects cabs and licenses cab drivers). However, drivers also know a lot of industry folklore and sometimes facts, history, and folklore come in tightly woven packages that make it a little tricky to figure out who’s who in the industry.

Figuring out who’s who however, is an important piece of the puzzle because a well-formed strategy will take every key player and their potential impact on progress, into consideration while expending little energy on folklore. For example, in Prince George’s County word among drivers was that one man – with a very large presence in the industry – owned most of the county’s taxicab operating credentials. Nearly every driver we spoke to early on in our relationship with the Alliance swore by this understanding as though it were fact. When we inspected the county’s ownership records however, we discovered drivers were mistaken as it was another person – whose role in the industry appeared to be minimal – who in fact owned the vast majority of taxicabs.

Key players in the taxicab industry commonly include: taxicab company owners, the agency responsible for enforcing the taxicab code; the jurisdiction’s decision-makers (such as a county or city council, mayor, or county executive), the decision-makers’ attorney(s) (such as the city attorney) the riding public, and of course, drivers. Determining where each of these players falls along the friend-or-foe spectrum will help you devise a sub-strategy for dealing with each of them as you travel down the road to reform. Other players that could impact the process are taxicab inspectors – and the office or agency they work for – tourist commissions who may have a vested interest in ensuring the availability of taxicab service, and local law enforcement if their duties include citing taxicabs for code-related infractions.

**Ninth Lesson:**
**There will be many fires. Be strategic about which you extinguish and how.**

When drivers first start talking reform, many will scoff. Among the scoffers will be cab company owners
and their staff; they might even go so far as to ridicule drivers outright as they did in Prince George’s County MD where they often assured drivers they would not succeed in changing the taxicab code because the cab companies’ “money talks.” Our recommendation: don’t take it personally and instead use their conduct as fuel for the fire underlying your reform struggle because there can be some distinct advantages for drivers when key players’ are unwilling to acknowledge the call for reform. For example, with companies turning a blind eye to what is happening on the ground, drivers will have the opportunity to build unity and strengthen their resolve without threat of retaliation.

Once cab company owners realize drivers are moving in unison however, you can bet they will start setting “fires” designed to distract drivers from their overall goal. The most common fire involves driving a wedge between drivers. For example, where drivers are a diverse population, cab companies may attempt to divide them along lines of race or national origin by lowering operating fees for one community of drivers but not the others or directing the more lucrative “long fares” to certain drivers, making both practices contingent upon drivers’ willingness to stay out of the fray. Once word gets out that some drivers are receiving benefits others are not, drivers are apt to get angry at the company and each other. If this happens we recommend that the leadership team discuss options for putting out the fire as well as resolving the tension. We also suggest that you weigh the costs, in terms of people-power and resources, of pursuing the proposed options.

Another common tactic used by cab companies to quell collective movement among drivers is to abruptly change their business practices. A favorite change is to discontinue the practice of allowing drivers to carry a balance on the fees they owe to the company by demanding immediate payment. Simultaneously they might also begin tacking on new “administrative fees,” such as charges for late payment. Whatever the underlying issue, we further suggest that you consider whether the time and energy you put into dealing with it will not only solve the problem but also strengthen the base. Consider this question: at the end of the day, will drivers feel empowered by the outcome? If so, the issue may be a fire worth extinguishing. If not, it may be one you can let burn out on its own.

**Tenth Lesson: The “medallion” solves everything… sometimes.**

Most cab drivers it seems, want a “medallion” because they believe all their woes will be solved if they no longer have to work for a cab company. While there is some truth to the idea that their working conditions as well as their earnings may improve with their ability to operate independently, what this reasoning fails to consider is that as independent drivers they will have to compete with companies who bank on name recognition and possibly sophisticated dispatching systems, to attract business. The pursuit of taxicab operating credentials that can be owned by individual drivers however, will likely be at the heart of any struggle. Therefore agreeing to pursue these credentials is essential. The key however, is in how you design the road for getting there.

**Tip One:**
Many decision-makers don’t like the word “medallion.” The image it conjures up in their mind does not mesh well with the argument that ordinary drivers should have the opportunity to have one. This is because in the most well known medallion jurisdictions – such as New York – a driver-owned medallion can sell for upwards of $600,000, putting any driver who wishes to purchase one into astounding debt. Don’t use this word if you don’t have to.
Tip Two:
Ensure the code provides for transferability of the taxicab operating credential (aka the ability to sell it). Most of the codes we have reviewed already contain language making this possible. We have however, seen efforts to eliminate or undermine transferability by making the operating credential the sole property of the issuing jurisdiction or by issuing an unlimited number of credentials. The ability to transfer the credential is key for drivers since the money they receive through the transaction will likely represent the largest bulk investment in their retirement.

Tip Three:
Ensure your taxicab code has language preventing the mass migration of driver-held operating credentials into the hands of cab companies or other non-drivers. Mass migration can happen in spurts or over time, however it is always characterized by the transfer – usually through a sale – of driver-owned credentials to non-drivers. Selling to cab companies for example, can be very tempting for individual owners because a cab company can usually pay more for the credential than an individual driver can. Preventing migration however, is critical to institutionalizing economic opportunity for drivers. The surest way to prevent it is by including language in your revisions to the taxicab code ensuring that a certain percentage of all available credentials must be owned by drivers. While not nearly as effective, another way to deal with this issue is to include language in the taxicab code requiring individual credential owners to own their credentials for a fixed number of years before they can transfer them. This approach is not ideal however, because it does not prevent the movement of credentials into the hands of cab companies, it only delays it.

Tip Four:
Whether you will be newly introducing or re-introducing driver-owned operating credentials into the jurisdiction, be sure the leadership team is on the same page regarding leasing. Some drivers believe they should be able to lease their credential (and cab) to someone else, provided that person is a qualified driver. Others believe leasing should not be allowed under any circumstances. The upside of leasing is that the driver-owner can work fewer hours while supplementing her/his income with the fees charged to the lessee. The downside however, is that driver-owners who rent their cabs to others sometimes adopt cab companies’ harmful policies, charging their renters exorbitant fees. In turn, this undermines the initial struggle for drivers’ independence from cab companies by binding drivers to drivers.

Eleventh Lesson: It’s not just a job, it’s a profession. Think big!

Key to successful taxicab industry reform is the understanding that the business of providing taxicab service is not just a job but a profession. With this framing, drivers begin seeing themselves as experts providing an important service and with the right strategy this will eventually become part of the foundation upon which they build a successful campaign. Moreover, with persistence, this frame will eventually impact county decision-makers’ view of drivers; they will either accept it or at the very least, they will be forced to recognize that drivers now view their role within the industry very differently than in previous times and as such, will no longer accept the status quo. Expect the powers that be – such as cab company owners, the agency responsible for enforcing the taxicab code, and perhaps even the jurisdiction’s final decision-makers – to protect the status quo however, because comprehensive reform can be daunting even to elected officials.

We’ve never done it that way before. Whether resulting from an allegiance with cab companies and their lobbyists or from individual opposition or hesitation over change, you can also expect a mountain of excuses for why comprehensive reform is either unnecessary or unattainable. In Prince George’s County for example, the Alliance was told early on by someone claiming to be an ally experienced in how the county’s political machine works, that they would not be able to make major changes to the taxicab code because the “normal” process was to make one small change at a time. To their credit, Alliance leaders scoffed at the narrow-mindedness of that approach, declaring their intent to think big and win big. Subse-
The Road to Reform: *A collaborative model for improving the taxicab industry*

...drivers’ revised code was officially introduced and is now serving as the foundation for inevitable industry changes.

**That’s a contract issue.** Another favorite roadblock for avoiding comprehensive reform – which will likely include the difficult task of redefining the local jurisdiction’s responsibility for the overall state of the industry – is for the jurisdiction’s decision-makers to assert that the changes drivers seek are things that should be negotiated between drivers and the companies they work for. In other words, the problem is not the jurisdiction’s problem. Depending on what drivers are asking for, this may sound like a perfectly reasonable argument until it becomes evident drivers do not negotiate their contracts and that if they try, cab companies will simply not hire them.

Moreover, a powerful way to remove this particular roadblock is to remind the decision-makers that the changes drivers seek will improve the quality, availability of service, and safety of cabs. This point resounds especially well with officials where the jurisdiction provides transportation vouchers for example, to individuals who need help paying for transportation to and from regular medical appointments. Another way to remove this barrier is to emphasize that the proposed changes will make companies and drivers more accountable to the jurisdiction and riders by increasing transparency. For example, where drivers seek a clear reporting mechanism for filing complaints related to violations of taxicab operating standards, a secure complaint mechanism will benefit drivers, the public, and improve safety – something few officials will opt to oppose.

**Twelfth Lesson: Meet new people.**

Many cab drivers have never had reason or opportunity to request a meeting with the decision-makers in their jurisdiction, including the agency charged with the responsibility of enforcing the taxicab code and members of the city or county council.

Drivers: now is the time.

We encourage you to begin holding decision-makers responsible for what is happening in the industry with the understanding that your first contact with them does not always have to be through a public action, such as a strike. As drivers, you have a distinct advantage in your favor making you vital to the jurisdiction’s bottom line interest of ensuring taxicab service is available to the public: without you, there is no service.

To get yourselves on the road to meeting your local decision-makers – such as your county or city council – there are a couple of easy steps you can take:

- First, identify each of them and the district they serve. You can likely find this information on the council’s website.
- Second, consider creating a delegation of driver-leaders whose responsibility it will be to begin meeting with decision-makers. Their primary purpose should be two-fold: (1) begin cultivating relationships and (2) getting a feel for who is likely to support or oppose comprehensive reform.
In advance of the meeting, we also recommend that the delegation decide what the group will talk about. Because you will have limited time with the official – who may be hearing about drivers’ concerns for the first time – we urge you not to view this meeting as an opportunity to expose every single problem impacting the industry. The breadth and intricacies of those problems are likely too much for someone who is not deeply familiar with industry structure to process. Instead, prepare to focus on key topics and assign each one to a delegation member. Once every topic has been assigned we also recommend that each person prepare not only what they will say about their topic but also a short example illustrating the problem.

Thirteenth Lesson: Get to know your local legislative process.

Comprehensive reform to the taxicab industry can only come through comprehensive reform of the laws that govern it. While there may be a number of ways for your proposed changes to the taxicab code to make their way into the law, we recommend that you prepare for this process as though you are going to be deeply involved. For example, with our assistance, AUTO drafted the first round of revisions to the code, which were later revised by the city’s lawyer in collaboration with a council member assigned to the reform process. Advancement Project and AUTO reviewed every proposed revision, objecting where necessary and offering alternative language. The final product was then introduced to the full council by the council member assigned to the process. After passing through the city’s legislative process, the council voted unanimously to adopt the bill.

In Prince George’s County drivers also identified the first round of revisions to the code and Advancement Project converted those changes into code language. However, the process diverged somewhat from that of Alexandria because drivers submitted their proposed code changes to allies on the county counsel who later introduced them as a bill.

The bill was then sent to committee and a Task Force was established to examine the state of the industry and the extent to which reform was needed. With two seats on the seven-person Task Force, the Alliance filled it with driver-leaders who – because they had identified the changes in the first place – were able to explain and even defend every change in the new bill. Throughout the Task Force, these leaders boldly and firmly negotiated and at times confronted the taxicab companies’ counsel and county representatives who appeared intent to protect the status quo. At the end of the process driver-leaders as well as those drivers who came to the meetings to offer their support, all learned a great deal about the politics behind comprehensive change.

Understanding how the legislative process works can also be very helpful to driver-leaders and the broader membership for a number of reasons:

• It will help drivers better understand why the reform process can take some time.
• It will help everyone involved in the campaign strengthen their outreach strategy to the decision-
makers because it will let you figure out for example, precisely how long the legislative session is and therefore, how long elected officials have to move on your proposed changes and by when they must vote.

- It will help drivers make strategic decisions about when to engage in public actions and where.

Information on how the legislative process works is usually available on the jurisdiction’s website or, if maintained separately, on the website for the jurisdiction’s decision-making body (such as a county or city council).

In Alexandria, drivers met with the Mayor and individual city council members multiple times. They also attended multiple council meetings to give testimony as to the state of the industry. In Prince George’s County, drivers met with the County Executive’s office and individual members of the county council. They also gave testimony at meetings of the council. In Prince George’s County in particular, when drivers proposed changes to the code were not moving and the end of the legislative session was nearing, they used a large public action at the county seat to pressure the council to take action and their proposed changes became a bill.

Fourteenth Lesson: With driver-leaders identified and a plan in place, communicate, communicate, communicate.

Strategic communications is an important part of the process because the issues plaguing taxicab industries can be complicated and extremely nuanced. As a result, when speaking with elected officials or other decision-makers whose time with you may be limited, saying less is often more. Our experience has taught us however, that cab drivers are eager to illustrate the issues through personal stories. Personal stories can be quite effective provided they are concise, on point, and shared at the right time. Personal stories however, often end up illustrating problems that do not fall within the campaign’s priorities and should therefore be used wisely.

To avoid the dilemma of lengthy personal stories, it is important to develop tools that strengthen drivers’ ability to explain what is happening on the ground, why reform is necessary, and what the solution should be. For truly effective strategic communications, drivers should have a clear work plan for communicating with elected officials and the public. We recommend that the plan include training for driver-leaders on how to speak to the media, OpEds from drivers and especially non-driver allies, talking points to help drivers share their concerns and goals in a concise and effective manner, and creative strategies for aligning voters with drivers. For example, in Prince George’s County the Alliance designed post cards containing key facts about industry violations impacting rider safety and calling for support for drivers’ reform efforts. Individual drivers handed these postcards to riders, asking them to sign the support statement, and collected completed postcards on the spot. At the end of a two week effort, drivers had collected over 1,000 postcards which they hand delivered to the county council during a council session to highlight drivers’ rapidly growing circle of support.

Practice with your spokespeople. Those interested in maintaining the status quo will likely launch a strong public relations campaign to discredit the need for change, making drivers’ messaging even more central to drivers’ success. Strong messaging alone however, will not guarantee success especially if driver-leaders
are not able to stay on message during critical moments – such as when news reporters show up at public actions or when they approach drivers at public hearings for example. We understand however, that interviews with media can make people nervous and that nervousness sometimes leads to moments of forgetfulness. To minimize this reaction and maximize the effectiveness of strong messaging, we strongly recommend that driver organizations identify their spokespeople well in advance of any public appearances so that there can be plenty of time to practice message delivery. Role playing is a great way to help spokespeople refine their delivery and media presence. We further recommend that spokespeople be clearly identified to the general membership so that all drivers know who to direct the media to should they begin to randomly approach drivers seeking an interview. Having drivers on the same page regarding who will talk to the media will help ensure your messages remain consistent. In turn, this will help strengthen decision-makers and the public’s understanding of your struggle and your goals.

**Conclusion**

After 30 years of rapidly eroding workers’ rights and scant prospect of economic opportunity in an industry that is now largely dominated by workers of color, taxicab drivers across the country are poised for change. Unfortunately, the solutions they seek cannot always be found – and likely do not exist – within current law which, over the years, has moved further and further from drivers’ interests. The ground work for reaching beyond the four corners of existing law to create permanent, sustainable solutions however, is being laid. The ongoing work in Prince George’s County MD and the Alexandria VA victory are examples of how strategic collaborations between cab drivers – including American-born and foreign-born drivers – community organizers, communications specialists, and attorneys can challenge an industry that has become a low-income workers abyss. When coupled with taxicab industries’ governance at the local level rather than through state or federal laws, partnerships like these – where drivers’ inside knowledge of the industry and expertise in providing taxicab service combines with that of organizers and strategic messaging, as well as legal and policy analysis – makes comprehensive reform a viable option for creating an industry in which economic opportunity for workers is institutionalized. Moreover, with drivers around the country already moving to change their working conditions, networking, sharing successes across jurisdictions, and lessons learned can begin framing a national driver-led movement to create an industry grounded in workers rights, living wage considerations, transparency, due process, equity, and economic opportunity for cab drivers. With cab drivers behind the wheel and their vision of owning their own taxi-cab operating credentials already unfolding before us, there is no better time than the present to press for change.

**About Advancement Project**

Advancement Project is a national policy, communications, and legal action organization that develops, encourages, pioneers, and widely disseminates innovative ideas and models that inspire and mobilize a broad national racial justice movement to achieve universal opportunity and a just democracy. From our inception we have worked “on the ground,” helping organized communities of color dismantle and reform the unjust and inequitable policies that undermine the promise of democracy. Simultaneously, we aggressively sought to and seized opportunities to promote this approach to racial and social justice among our colleagues and allies in the organizing, legal, policy, and philanthropic communities.

*Our mission is:*

“To develop, encourage, and widely disseminate innovative ideas, and pioneer models that inspire that inspire and mobilize a broad national racial justice movement to achieve universal opportunity and a just democracy.”
APPENDIX I
AUTO: A Driving Force for Change in Alexandria VA

It was close to midnight on June 14, 2005. The Alexandria City Council was preparing to vote on new taxi industry regulations. The crowd had visibly thinned as the debate dragged on. But after waiting for 20 years, members of the Alexandria United Taxi-drivers Organization –AUTO –were willing to wait a few minutes longer. With them were other members of their parent organization, the Tenants and Workers Support Committee (TWSC), and their legal advisors from Advancement Project.

Then, at last, the vote: Unanimous. Alexandria had a new taxi ordinance, ending the decades-long “sharecropper” relationship between the drivers and the cab companies. The largely immigrant taxi force from at least a dozen countries –spanning ethnic, religious and racial identities – had struck a blow for dignity and economic justice on the job.

“I was excited,” admits Mulugeta Yimer, one of the group’s leaders. “For years, it was like they weren’t understanding us, like we weren’t talking in the language they wanted to hear. The city manager once told me, ‘If you don’t like it, go back to your country.’ He’s not there anymore. The most important lesson is, don’t give up!”

What finally brought the long struggle to a successful conclusion? In large measure, the victory was forged by the convergence of several key players: a determined group of taxi drivers with a long-standing grievance and a history of resistance; Tenants and Workers Support Committee, a dynamic community organization with organizing skills and political savvy; and Advancement Project, a national racial justice organization providing legal expertise to support social and economic justice efforts in communities of color. Together, they were able to: organize a vibrant coalition of drivers across ethnic lines; nurture leadership; frame the message; mobilize support; provide viable alternatives; and move the political establishment to make structural changes to achieve a significant win.

Long-standing Inequities Fueled by Racism

AUTO traces the problems of the taxi drivers to 1982, when the owner of the city’s two largest cab companies convinced the Alexandria City Council to change the taxi ordinance, outlawing independent taxis and making it mandatory for drivers to belong to a company.

The move came as the workforce was shifting from mostly white, American-born drivers to immigrant drivers, many from Southeast Asia and Africa. The change reflected a wave of immigration that continues to transform the demographic and social landscape of the city. According to U.S. Census data, the percentage of minority households in Alexandria increased from 17% of all households in 1970 to nearly 37% in 2000. At the time of the 2000 Census 46% of Alexandria’s residents were members of racial or ethnic minority groups, up from 36% in 1990.

Many observers believe that Jim Yates, owner of both Yellow and Diamond cab companies, played on long-standing political connections to convince the city council to change the code, greatly strengthening his position in the industry. Although public safety and service were the reasons given for the changes, drivers widely believe that racism was a pivotal factor. As taxi driver Syed Hussein describes it, “Back then, American-born drivers dominated, so it was ok to have the certifications in the drivers’ names. But when the foreigners started coming into the system, they reversed it and gave all the powers to the cab company and put us into a slavery system. So now the driver has no right to say anything. They say, ‘if you don’t like it, you’re through.’

The new rules took the taxi certification and every shred of autonomy from the mostly immigrant drivers. The city issued certificates to approved companies and leased them “car cards” for a specified number of taxis. Since the city technically retained ownership of the car cards, the cab companies weren’t able to sell them. Instead, the companies assigned each card to a specific vehicle in their fleet, and drivers then
had to purchase the vehicles at greatly inflated prices. In addition, drivers were required to pay hefty stand fees. Veteran Yellow Cab drivers currently $135 per week in stand fees, while newer drivers pay as much as $165. Many drivers reported having to work 16 hours a day to pay off the fees. In return, the companies were to provide dispatch services 24/7, but this was done sporadically and riddled with cronyism – if it was done at all. Worst of all, although the drivers owned their own cars and paid their own insurance, they were not allowed to move from company to company, thus creating a relationship resembling indentured servitude. The drivers bore all the expense and risk, while the company owners charged maximum fees for minimum service. As Hussein put it, “The American principle is choice. If you don’t like 7-Eleven, you go to Giant. If you don’t like Giant, you go to Safeway. But we couldn’t do that. We had to stay, whether we liked it or not.”

With the two largest companies under the same ownership, the 1982 rules also created a de facto monopoly within the industry. Over the years, Jim Yates’s companies seemed to get preferential treatment in the number of taxi cards and the allocation of city contracts to transport the elderly and disabled. Today, these companies account for 58 percent of the city’s taxis – controlling more than 372 of the 645 car cards. The four smaller companies, owned by ex-drivers’ families from a range of nationalities, have virtually no dispatch services, and have often favored drivers of one nationality over others.

“The biggest problem is if the dispatch system is corrupt,” says driver Abbassali Abousaidi, “and it was. You could smell it, but you couldn’t always prove it.”

Injustices were rampant. Tesfay Berhane, was driving for Diamond when a call came over the radio to take a fare to the airport. Berhane responded, looked up the address, and was headed out, when the dispatcher called back to say the fare had been cancelled. Berhane followed a hunch and drove to the location, “and there was the fare, with her luggage at the door, and I took her to Dulles. As I was dropping her off, I heard another cab driver call in from her pick-up location, saying there was no answer. I called the dispatcher and said, ‘You told me that call had been cancelled. Well, I picked her up anyway.’ And from then on they’d send me from one place to another for nothing, and I finally gave up and became an airport driver.”

### Joining Forces

The 1982 ordinance was a disaster for the drivers, and they fought it from the start. They argued with the company owners. They held demonstrations. They even got hundreds of drivers to strike. They hired a well-placed lobbyist. But, as TWSC Executive Director Jonathan Liss puts it, “The lobbyist got $50,000 of their hard earned money, the drivers got bupkis. And I saw an action early on where they drove around with signs saying, ‘support economic liberalization,’ or something like that, and I remember thinking that they might be needing some help to get their message out…”

As it happened, TWSC would soon be involved. The Tenants and Workers Support Committee/Comite de Apoyo de Inquilines y Trabajadores (TWSC/CAIT) had been founded in 1986 as a democratically-controlled, grassroots organization to advance social and economic justice for low-income, disenfranchised, and immigrant communities in Northern Virginia. Again, the impetus lay in the demographics. Growth in the region and the low-wage service sector, combined with the burgeoning immigrant population, strained the limited stock of affordable housing and the existing social service network, and TWSC emerged in response. In 2000, they added the issues of a low-wage immigrant workforce to their agenda, launching the Unity Campaign of Childcare Providers.

But what really brought the taxi drivers and TWSC together were the events of September 11, 2001. In the wake of the 9/11 attacks, Reagan-National Airport was shut down for several months. While the impact was felt throughout the region, immigrant and low-wage workers bore the brunt. The taxi drivers – many
of whom depended on airport fares – were especially hard hit, as their business evaporated; meanwhile, the companies hiked their stand fees.

With its core constituency at risk, TWSC/CAIT was determined to increase its focus on the immigrant workforce. TWSC was also selected to help distribute monies from the Union-Community Fund to help workers adversely affected by the airport shut-down. In the course of distributing the funds, they began to meet many of the East African and South Asian taxi drivers. A delegation of 40 cabdrivers met with TWSC – and AUTO was born. “After 9/11 and the airport shut-down, we were desperate,” relates cab driver Tesfay Berhane. “The companies wouldn’t give us a break. I learned about Tenants and Workers through the disaster aid. So I went down there, and also my friends, and we learned about the group, and we asked them to organize us.”

As Syed Hussein relates, “It took a long time for the drivers to come together. I remember once we were doing this demonstration at city hall, and not so many drivers came, maybe 70 or 80, but some people came from Tenants and Workers to join us, and then they invited us to meet, and we found out it was a good organization. TWSC helped us a lot. They helped us come together, gave us a place to sit, to negotiate and talk. You can’t do anything in this country, if you are not united.”

To effectively take on city hall, AUTO required another ingredient: the capacity to analyze the existing taxi code and draft legislation to propose a better system. Through a web of contacts, they reached Advancement Project, a national racial justice organization that utilizes its legal expertise and communications skills to assist communities of color in their campaigns for greater equity. Advancement Project attorneys Aurora Vasquez and Monique Dixon joined the effort in 2003 to help AUTO forge a winning campaign.

Advancement Project took the lead in analyzing the existing law and turning AUTO’s recommendations into legislative terms. An AP request for pro bono legal assistance added the distinguished law firm of Latham and Watkins to the team. Latham and Watkins attorneys Eddie Correia and Stefanie Alfonso-Frank coordinated research about the taxi industry as a basis for challenging the existing code and drafting new legislation.

Together, the group identified the key demands: (1) taxi cab permits should be issued to the driver rather than the company; (2) permits should be transferable from one driver to another; (3) drivers should be free to move from one company to another; (4) enforcement of the law requiring companies to provide 24-hour dispatch services; and (5) a dispute resolution process.

Achieving those goals would take two more years, plus shrewd political organizing. The process also required constant line-by-line analyses of competing proposals to change the system. The cab companies wanted to retain their power, and various city council members had ideas and interests of their own.

“It was phenomenal working with Aurora and Monique,” Liss reports. “They added so much. They helped us shape the deal. They knew that proposed law, 45 pages worth, and were able to help us fight with the owners and the council over every word, and there were lots of words… We got roughly 90 percent of what we wanted, and we wouldn’t have gotten that without them.”

Abbassali Abousaidi agrees. “It would have hurt us a lot, if we didn’t have their help. The city and the company kept on adding language about insurance and testing, and our lawyers would look over every line for us, and fix it.”
Building the constituency

TWSC quickly realized the many assets that the drivers brought to the organizing challenge including, Liss laughingly notes, that everyone had a cell phone and a car. Most important, the drivers had a long history of protesting the company system and leadership from several ethnic communities. “I’ve been making noise since high school,” Mulugeta Yimer confesses. “It’s the reason I had to leave Ethiopia. And I’d been making noise about the taxi situation for more than seven years. But after 9/11, we knew we really had to do something. So I asked each community to send a rep – Somali, Indian, Pakistani, Afghani – and we started AUTO in 2002.” But bridging the racial diversity was a challenge, especially considering that some of the communities had a history of conflict. “There were tensions,” Liss acknowledges. “Ethiopians vs. Eritreans, Indians vs. Pakistanis, old school vs. new, entrenched corrupt leadership in some of the companies. But there’s a cadre that gets along, that struggles, that overcomes differences, and we built on that. And we created a structure where each nationality could have a seat at the table.”

“The problems we were having with the companies put us together and made us one voice,” explains Tesfay Berhane, “even if we were from many different cultures. Sometimes we were looking to take it in different directions, but we kept talking and having respect for each other. The discrimination from the city really put us in the same place.”

Syed Hussein concurs. “Unity made it work. Before, the cab companies used one against the other, they knew we weren’t united. We only won because we got the communities together and were united, regardless of ethnic background, religion, or race.”

Clarifying the target and reframing the campaign

Once AUTO was established as a TWSC chapter, the group took a hard look at the situation, and reviewed their previous efforts to make the system more equitable. “We focused on breaking up the monopolies, because it would be good for both drivers and consumers,” says Liss.

“We studied the city code and the system, and found the real problem: that a monopoly had been created by the city of Alexandria,” says Syed Hussein. “So we realized we can’t just fight against the cab companies, we have to fight against the city, those who set up the system.”

If racism had played a part in the 1982 legislation, it was still alive and well twenty years later. “When we started, the city staff we dealt with were all white men,” Vasquez notes, “and they treated the drivers horribly. The drivers reported that the city manager told one of them, ‘If you’re not happy, you can go get a job at McDonald’s.’ He would never have dreamed of saying that to a white person.”

AUTO, with input from Advancement Project, reframed the campaign as the “Economic Human Rights Initiative,” a decision that Liss considers critical to its eventual success. “We invoked Abe Lincoln to talk about a pool of drivers, half slave and half free,” says Liss. We used the words of Martin Luther King. And it made it more difficult for the companies to fight us.”

Vasquez feels that the framing reflected the inherent feelings the drivers brought to their struggle. “I remember our first conversation,” she recalls. “They talked about how, in this country, people always separate civil rights and economics. But in their view, how they are treated as men of color and the conditions of their labor go hand in hand. If you disrespect someone’s labor, you disregard who they are as human beings. I remember Tesfay saying that to divide economics and human rights is like splitting a dime in half and thinking it still has value. I think one of the reasons they were comfortable with us is that we understood that.”
Confronting City Hall

In late 2003, AUTO began to pick up steam, building on a hotly contested mayoral race. “We really got on the political map during the mayoral campaign,” says Liss. “We hounded one of the mayoral candidates, following him on his campaign stops, and became part of the campaign discussions.

After the election, the mayor asked newly elected council member Rob Krupicka to get involved. “He wanted me to look at the situation with fresh eyes,” Krupicka recalls. “The issue had been around for more than 15 years and was taking up substantial time. The sides were very entrenched, no dialogue and lots of polarization. I thought all sides were so focused on their own interests that they couldn’t consider the concerns of the greater community. After a while, I realized we needed to create a different kind of process, one that was consultative and facilitative.

“It took more time than I ever imagined,” Krupicka wryly notes, “Meetings. Phone calls late at night. Just ask my wife. People were used to just throwing stuff on the table, and then never really discussing it. It didn’t change overnight either, it took months to set ground rules and get it so people weren’t calling each other names. But the council wanted a result – and we didn’t want to deal with the issue again for a long time. So everyone was going to have to live with it.”

And slowly the process began to yield some results. “In the summer of 2004 it got down to the wire,” Liss relates. A new law, but not one we wanted, was proposed. Yellow Cab proposed a decent deal, but then backed away from it. The council appointed a subcommittee when our allies were out of town and, in November, it looked like we were facing a pretty bad plan.”

In the midst of this complicated political maneuvering, the AUTO campaign organizer imploded and had to be dismissed – stirring up some racial animosities and causing some defections in the process. But, with hard work and a good campaign strategy, the effort was nudged back on track.

AUTO regrouped and was able to win a delay of council action from November to January. As Liss puts it, “They had lobbyists, but we had drivers. There were countless hearings; the drivers must have taken close to 100 delegations to city hall at various times.”

He recalls one driver, “an older guy in his 50s, soft-spoken but a deep thinker, who brought out his son to testify. The boy told the council that, ‘my dad comes home at 10 after working 18 hours and then sits down to do my homework with me… I want to see my dad more often.’ Those actions really made a difference.”

Councilwoman Joyce Woodson was an early supporter of the AUTO effort. “I first heard about the problem when a taxi driver testified at a public hearing. What the drivers were complaining about seemed legitimate to me, and the city’s response struck me as inadequate. So I volunteered to head up a committee.”

Woodson believes AUTO prevailed because, “The drivers were willing to ride it out, demonstrated political courage, and put out the kind of effort that showed that they were willing to be part of political process. They continued their effort despite being stymied at every corner, and had a legitimate, well formed argument. I think they ultimately just wore my colleagues down.”

Her colleague Krupicka admits he would have preferred something a bit simpler. “We had to build in some things to account for people’s fears, things that may never be used, but were necessary to overcome mistrust and create a change. I think we were able to create a balance and work within a free market system, but make it a more equitable one. In the end, though, it’s not the words on paper but the people on both sides that make it work.”
Krupicka also took some lessons away from the experience. “I grew to understand that the drivers take their responsibilities very seriously, and AUTO was willing to help effect fair mechanisms to deal with bad drivers. That was extremely helpful. I’m also a much bigger proponent of facilitative governance, especially where the issue has matured to a point where everybody’s ready to sit down. And although no one wants to hear it, to do the heavy lifting takes a lot of time. My calendar is so much freer, now that it’s done!”

“In truth, after the vote, it took us a while to react,” laughs Advancement Project attorney Aurora Vasquez. “The fight had been going on for so long, and the hour was so late. We went downstairs, and then it dawned on us, ‘we just won this thing, didn’t we?!’”

**From Coalition to Co-op**

AUTO members are justly proud of their victory, although, like most legislation, the new taxi ordinance isn’t perfect. The bill provides drivers with the right to move, but limits that the number of drivers who can move each year. And some provisions won’t take effect until 2007. But the consensus among the drivers is that the bill provides about 90 percent of what they wanted – a far better outcome than most.

Not only that, the struggle for fairness and respect led naturally to AUTO’s next goal: A taxi cooperative run by and for drivers. Planning is already underway and a consultant has been hired to assist AUTO in developing a viable business plan.

Liss notes that the drivers are enthusiastic about the opportunity, referring to the veteran Afghani leader who, despite his usual caution, supports a driver cooperative. When it was suggested that the coop might force some smaller companies out of business, he responded, “these people are sucking my blood for 20 years, why go to the grave with them?”

As Syed Hussein notes, “Now that we’ve got the victory, we can negotiate. The senior drivers have been driving 10 or 15 years and have nothing. If we have our own co-op, we can walk away with something when we retire.”

Tesfay Berhane confesses that he’s “been excited about it from the beginning. I realized we need to be able to offer an alternative and provide the service if we want people to trust us. We will take responsibility, and take this seriously.”

At a meeting in mid-August to discuss the co-op, Abbass Abousaidi and his colleagues were full of ideas. They envision the co-op as a way to supplant the corrupt and inefficient dispatch systems of the existing companies with one that is fair, accountable, and efficient – benefiting both drivers and customers. Abousaidi noted that under the current system, drivers have disliked answering voucher or contract jobs that serve the elderly and the disabled, “they’re slow, it takes lots of time, and they don’t tip,” he explains. But he envisions a system where the co-op will be able to provide extra tips for drivers who take those calls. “If we provide $10 for each of those voucher jobs from a co-op fund, it will immediately change from a bad job to better than good. Not only will it help the drivers, but those customers will feel like kings and queens, because they’ll be treated differently. The driver, the customer, city hall, everyone will come out ahead.

“We may still disagree on things,” he adds, “but the momentum, is there!”
On the Road to Reform: Transforming the Taxicab Industry  
In Prince George’s County MD

Nearly 18 months after the phenomenal driver-led campaign to reform Alexandria’s taxicab industry had come to a victorious end and calls with the Alexandria United Taxicab-drivers Organization (AUTO) had stopped, Advancement Project received a call from a former AUTO leader. He had a proposition: if he facilitated an introduction, would Advancement Project meet with cab drivers in Prince George’s County, MD? Drivers there it seemed, were also seeking reform.

The Prince George’s County Taxi Workers Alliance was formed by cab drivers who had grown tired of being treated like disposable resources by their cab companies on the one hand and invisible workers by county decision-makers on the other. Inspired by stories of the Alexandria victory the Alliance’s founding leadership team had one goal: transfer taxicab operating certificates out of the hands of cab companies and into the hands of cab drivers. In March of 2007 Advancement Project had its first meeting with Alliance leadership. Energized by what they had learned about organizing and taxicab reform at a recent meeting with Jon Liss of Tenants and Workers United and former AUTO leaders, drivers made a bold declaration: they expected to achieve their goal in 6 months. Having learned from our previous work that taxicab industries can be riddled with business practices that make it hard – in deed impossible – for cab drivers to achieve economic independence, we asked: is the imbalanced distribution of operating certificate the only thing wrong with the industry? The flood gates opened.

Drivers shed light on an industry in which unauthorized cabs operate freely due to lack of code enforcement, where company-imposed operating fees hover at $330 a week – totaling more than 50 percent of drivers’ annual earnings, where the distribution of dispatched fares had evolved into a tool for retaliating against drivers, and an industry in which the companies insure their cabs but not the driver. They reported mysterious administrative fees that appeared on their billing statements but no dispute mechanism by which to challenge them, abusive language directed at drivers by cab company owners and their staff – including dispatchers, and a monopoly. With these and many more issues on the table, we asked another question: are you satisfied with these working conditions? A resounding “no” cleared the path for what has become a multi-year initiative to bring comprehensive reform to the industry. The Alliance’s new goals: (1) improve quality of taxicab service, (2) create economic opportunity for cab drivers, and (3) improve transparency and accountability between cab companies, drivers, and the county.

Creating Unity

With what they knew was a long term struggle ahead of them, the Alliance’s first order of business was to build their base by creating unity among drivers. While not a single leadership member was a trained community organizer, they used what they had learned in their short meeting with Tenants and Workers and later with input from the Center for Community Change, to begin framing a strategy. They held county-wide meetings and called on all drivers to attend. Their hope was to create a board that reflected the diversity of drivers: African Americans, South Asians, various African countries, and the Caribbean. Unity in the midst of such diversity did not come quickly. In fact, the Alliance struggled initially just to build unity across political divisions among Ethiopian drivers alone. Even with a whirlwind of misinformation around every corner, including claims of secret alliances forming between drivers and cab companies, unity ultimately prevailed. Less than 18 months later Alliance membership had grown to include nearly 50 percent of all 785 drivers.

Power Analysis

A leadership team identified, Alliance leaders as well as rank-and-file members declared they were ready to move forward. Ideas regarding how that movement should take place however, were nearly as diverse
as the drivers themselves. Some wanted to file suit against the cab companies, others thought an investigation of the hack office was in order, still others believed the Alliance should seek to hold the County Executive responsible for the deplorable state of the industry. With Advancement Project's help the Alliance considered all the relevant parties – the cab companies, drivers who already owned their own taxi- cab operating certificates, the Department of Environmental Resources (charged with the responsibility of enforcing the taxicab code), the County Council, the County Executive's office and the riding public. After talking, questioning, and at times debating, drivers had a preliminary power analysis identifying who they believed to be friend or foe and how they could help or hinder the process. In the end they substituted a piece-meal approach to achieving change for comprehensive reform of the entire industry. To Advancement Project this meant one thing was clear: the taxicab code would have to be revised.

Revising the Code

The next order of business was to conduct a critical examination of the taxicab code. In line with our model of community justice lawyering, we asked the leadership team to use their expertise as drivers and their experience in the industry to identify the issues that were not addressed by the taxicab code at all as well as those portions of the code that required changes. Three ten-hour meetings later, we had jointly combed through every word of the code in a remarkable feet of participatory scrutiny. During the process drivers identified the changes they wanted to see and why, sometimes debating as to whether the proposed change was prudent and an effective means for achieving their goals, settling differences by vote. Advancement Project facilitated the process, sharing our insight into code revision and at times offering alternative changes. In the end we had a taxicab code riddled with markings and changes as well as the realization that our collective understanding of the law and the industry had increased twofold. Moreover, Advancement Project had made important headway on two of our internal goals: (1) help build a core of driver-leaders knowledgeable about the law that governs them and (2) help drivers frame their concerns in a way that connects the issues and the proposed solutions directly to the county’s interest in providing quality taxicab service. To wrap up the revision process, Advancement Project converted drivers’ proposed changes from plain English to taxiab code language, which driver-leaders subsequently reviewed for accuracy.

Strengthening Leadership

Understanding there would come a time when driver-leaders would have to take their concerns directly to the County Council, we introduced the leadership team to the county’s legislative process. Moreover, in line with the Alliance’s commitment to transparency, the training was also presented at a general membership meeting with the hope of helping the broader membership understand what their leaders would be engaging in over the course of the initiative. Additionally, with assistance and input from Advancement Project’s strategic communications team who reviewed talking points, message delivery, and conducted outreach to media outlets, Alliance leadership and driver-spokespeople began preparing to speak publicly about their struggle and their goal of reforming the industry.

Empowering the Base

As word spread that the Alliance was preparing to shift the balance of taxicab operating certificates, cab companies increased retaliatory measures by disconnecting Alliance members from dispatch service often without reason; attempting to characterize the movement as specific to one ethnic group and opposed to the others; and in the midst of an economic crisis refusing to negotiate lower operating fees. Sensing their members were feeling increasingly targeted and vulnerable, the Alliance developed a bold plan: empower the base by pushing back on National Harbor’s taxicab program.

With the grand opening of National Harbor, Maryland’s largest and most glamorous mixed-use waterfront
development weeks away, the Harbor unveiled its “taxicab program” which included a startling requirement: every cab serving the harbor had to be dispatched by Taxi-Taxi, Inc, the sole provider of consolidated dispatch service in the county and cab companies’ biggest ally. Understanding this rule was drafted by Taxi-Taxi itself, the Alliance knew it was designed to shut all independent taxicab drivers out of the harbor as well as any small cab companies trying to gain footing in the county. The Alliance met with Harbor executives to express their concerns, stopping the program in its tracks and ensuring all drivers could freely serve the Harbor.

The Alliance’s second bold move came after months of unsuccessfully trying to negotiate lower fees for all drivers. Focusing on the county’s base fare which had not been revised in 10 years, the Alliance planned its first strike. Despite several days of intense messaging from cab companies who warned drivers they would lose their taxicab driver’s license or taxicab operating certificate (for those that owned one) if they participated, the Alliance shut service down county-wide. Subsequently the Council passed an emergency resolution – which later became permanent – raising the base fare 100 percent.

Meeting with County Council

The revisions to the code tucked away and talking points already prepared, the Alliance identified another team of driver-leaders responsible for meeting with members of the County Council. Together the primary leadership team and the County Council Delegation – as it came to be known – identified a two-prong strategy for moving the council closer to supporting comprehensive reform: First, build the relationship – introduce individual council members to the Alliance and its mission. Second, shed light on the inner workings of the industry – its weaknesses, the significant burden on drivers and the negative impact on taxicab service. They began their meeting series in early 2009, successfully identifying two allies willing to sponsor their proposed bill.

Down the Road

While the initiative in Prince George’s County is not yet complete, the process is moving forward. The Council called for a seven-person task force to examine the industry, giving the Alliance two seats at the table. Their proposed bill was formally introduced and was the basis of deliberations by the task force. In the Spring of 2010 a revised bill was introduced and is now making its way through the legislative process. The bill institutionalizes economic opportunity for independent cab drivers by putting more medallions in the hands of individual drivers and simultaneously preventing cab companies from purchasing more than 55 percent of all available medallions (in order to fend off monopolies). It also increases transparency by requiring taxicab companies to make their contracts and leasing terms public, for example.
Endnotes

1 Formed in 1998, the New York Taxi Workers Alliance is recognized for being at the forefront of the modern-day cab driver struggle. See: http://www.nytwa.org/. Examples of other driver-led mobilizations include the successful 2003 driver-led reform campaign in Alexandria VA, ongoing efforts of Los Angeles drivers to prepare for franchise opportunities expected in 2010, and initiatives in Philadelphia PA, Prince George's County MD, Arlington VA, Washington DC, Nashville TN, Denver, CO, New Orleans LA and Las Vegas NV.

2 In this action kit we use “taxicab operating credential” to refer to the official document or instrument that turns an ordinary car into a cab commonly known as a medallion, taxicab operating certificate, or a certificate of public convenience and necessity.

3 The United Taxi Workers Organizing Committee (Boston MA) is reported to be among the first to mobilize drivers in response to the independent contractor model. Organized in 1979, drivers obtained a ruling from the National Labor Relations Board declaring them employees rather than contractors. Subsequently, drivers held union elections but the union was defeated in 1980. See: Guide to the United Taxi Workers Organizing Committee Records, The Tamiment Library & Robert F. Wagner Labor Archives: http://dlib.nyu.edu/findingaids/html/tamwag/utwoc.html.

4 In 1998 drivers in Stamford CT obtained a similar NLRB ruling. Their first victory however, did not come until 2001 when they signed their first union contract. See: Fairfield County Business Journal, Taxi cab drivers win union fight (June 25, 2001).

5 One long term impact of these changes is evident today in the skyrocketing cost of obtaining an operating credential, especially in jurisdictions like New York City where corporate-owned medallions are now valued at more than $760,000 and in 2007 individually owned medallions were valued at more than half a million dollars. See e.g. Taylor McGraw, Driver competition hot as NYC taxi medallions hit $766,000, USA Today (8.7.09) available at: http://www.usatoday.com/money/industries/travel/2009-08-05-taxi-cab-new-york-city-medallions_N.htm and Alex Nunez, NYC Taxi medallion sold for record $600,000, AutoBlog (6.1.07) (noting twenty-five year veteran driver sold his medallion to a fleet owner for $600,000 in 2007).

6 Some jurisdictions have attempted to mitigate this by requiring that a certain percentage of all available taxicab operating credentials remain in the hands of individuals, preventing mass migration of the credentials into the hands of corporate entities, including brokers. However, without accompanying language requiring individual owners to also be drivers as well as language capping the amount an owner can charge a lease-driver, even with a percentage system in place access to the credential can become cost prohibitive for the average cab driver. See New York City’s taxicab industry for example of a percentage system with driving requirement and cap on fees. Information available at: http://www.nyc.gov/html/tlc/html/home/home.shtml.

7 This should not be confused with the number of individuals a jurisdiction will license to operate those cabs. The license to operate a taxicab is distinct from the credentials that convert an ordinary car into a cab. The name of the latter credential varies by jurisdiction and can be known as a taxicab driver’s license, a face card, or a hack license, for example. The number of people authorized to operate a cab usually exceeds the number of authorized cabs.

8 Taxicab operating credentials are known by different names at the local level. In some jurisdictions they are referred to as medallions, Certificates, Certificates of Public Conveneince and Necessity, or Operating Certificates for example. Moreover, drivers may have their own name for the credential for example, in Prince George’s County the taxicab operating certificate was known as a “P.G.” while in Washington DC it is referred to as “the DC-TC.”

9 Where the taxicab identification number exists independently of the certificate granting one authority to operate a taxicab company, the taxicab identification number is commonly known as a medallion. A medallion can be sold to a new owner but taxicab identification numbers attached to a business certificate cannot.

10 This type of arrangement is common in Prince George’s County MD where the taxicab code explic-
itly requires the owner of the taxicab operating credential, also known as an operating certificate, to also own the cab. While this agreement often results in lower operating fees for drivers, in the case of a dispute between driver and company, the company usually asserts complete ownership over the vehicle often removing the vehicle’s license plate – rendering the cab inoperable – until the driver acquiesces to the company’s demands.