

Eighth New York City taxi driver suicide of 2018

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Another New York City taxi driver facing insurmountable debt has committed suicide—the eighth driver suicide in the taxi industry in the past twelve months. Yellow taxi driver Roy Kim, 58, of Bayside, Queens, hanged himself on November 5 after struggling with repaying more than \$500,000 in debt since purchasing a taxi medallion last year.

The value of taxi medallions—the vehicle permit required to drive a taxi cab in New York City—has fallen from a high of \$1.3 million in 2014 to a low of \$200,000 this year. This 84 percent drop in medallion worth in only four years is a main factor contributing to the tragic string of taxi driver suicides.

Many drivers like Kim must pay off hundreds of thousands of dollars in debt from purchasing a medallion when it was worth much more and helped to generate much higher income. New York taxi drivers, on average, saw a \$10,000 reduction in their yearly earnings between 2013 and 2016, according to the New York Taxi Workers Alliance.

The primary cause of both taxi medallion depreciation and significant income decline is the flooding of the market from ride-hailing app vehicles not subject to a medallion permit, such as Uber and Lyft, who, until this year, did not have restrictions on the number of vehicles on the road. Because of this, Uber now outpaces New York City yellow taxis both in vehicles on the road and trips per day.

Due to this well-known and wide-spread devastation of the taxi industry, which has spawned the continuing string of debt-induced suicides, the Taxi and Limousine Commission (TLC) is waiving \$20 million in biennial renewal fees for taxi medallion owners. The city usually requires medallion owners to cough up \$1,650 every two years for renewal and inspection fees, but a TLC industry notice posted November 1 temporarily

withheld enforcement of this fee “as a result of industry hardship.”

At the same time the city is waiving a fee to help struggling taxi medallion owners, it is also implementing a new policy that will add a congestion surcharge to all taxi rides below 96th Street in Manhattan. Starting January 1, any yellow taxi or for-hire vehicle (FHV), including Uber and Lyft, driving in or through this designated “congestion zone” will add a surcharge to their trip fee—\$2.50 for yellow cabs, \$2.75 for FHV’s, and 75 cents for pool vehicles (a vehicle that may simultaneously pick up and transport people in trips that are requested and charged separately).

This surcharge will go directly to the Metropolitan Transportation Authority (MTA) in hopes to generate \$400 million a year, primarily for modernizing the outdated subway system that currently adds to the city’s congestion.

This means it will now cost \$5.80 just to step into a taxi cab in Manhattan below 96th Street.

The added surcharge could create a loss of up to \$15,000 in income for yellow taxi drivers, according to the New York Taxi Workers Alliance.

TLC Commissioner Meera Joshi made a telling statement about the effect of this congestion pricing on companies like Uber and Lyft, which she said have more flexibility: “They have to add \$2.75 on but they’re not bound to a metered fare, so they can reduce the price of the trip so that the passenger doesn’t feel the effect of the \$2.75.”

In other words, the driver can pay for the surcharge, rather than the passenger or the app-hailing company, furthering the deteriorating compensation for drivers of FHV and taxis alike.

App-hailing companies have showed full support for the city’s implementation of the congestion surcharge.

Uber reportedly spent over \$1 million in lobbying to pass this policy, with Lyft publicly showing support as well. These companies are also seeking to grow their ride-sharing “pool” sector, which are subject to the lowest congestion surcharge. While incentivizing FHV passengers to take shared “pool” trips, this is yet another move that will create damaging effects for yellow taxi drivers, who rarely make shared carpool trips.

The too-little-too-late relief for medallion owners and congestion pricing only point to worsening conditions for drivers in the taxi industry and the despair that has caused eight drivers to take their lives in the last year.



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