

NYC Taxi Drivers Get New Lease on Work Life

Paul Berger

Aug. 27, 2017 4:14 p.m. ET

If you have ever had trouble hailing a yellow cab in Midtown Manhattan during the evening rush hour, blame a decades-old rule requiring drivers to lease a car for 12 hours.

Many leases begin or end at 5 p.m., leading to a dearth of cabs during the evening rush as drivers head to and from garages in the outer boroughs.

That could start easing a bit on Monday as the city's Taxi and Limousine Commission begins testing a pilot program allowing drivers to lease a cab for shorter periods. They can do so for a prorated fee or for a 35% commission on fares.

NYC Taxi Group, based in Brooklyn, will be the first to implement the program, which would expand if others sign up.

The commission announced the pilot program in October 2015, but this is the first time a fleet operator has signed up. "There was a lot of industry reluctance to change practices," said Taxi and Limousine Commission chairwoman Meera Joshi.

Industry skepticism remains.

Michael Woloz, a spokesman for the Metropolitan Taxicab Board of Trade, which represents thousands of taxicab owners, warned that commission-based leasing, which favors driving during the most lucrative hours, "could result in less service during certain times and may have other implications on a fleet's overall ability to adequately serve the riding public."

The first company to enter the program is doing more than offering drivers leasing flexibility.

Aleksey Medvedovskiy, the chief executive of NYC Taxi Group, has spent two years developing an app that unchains drivers from the garage model altogether.

Mr. Medvedovskiy, who is 35 years old, is outfitting his fleet of more than 260 cars with technology that allows drivers to locate and unlock vehicles wherever they are parked.

Instead of a cab being based at Mr. Medvedovskiy's garage in Brooklyn, drivers can park a cab close to home.

A driver who wants a car can use the app, called Lacus Driver, to see all vehicles that aren't in use on a map. He can book that car, unlock it with his phone and begin driving straight away.

Aziz Nizomov, a taxi driver who has beta tested the app for two months, said it has improved his working life.

It has cut hours of commuting to and from the garage and waiting in line for an available car. And it has reduced pressure because, working on commission, he no longer begins his day in

the red having paid between \$100 and \$150 in fees and taxes.

“I want all the drivers to experience what I experienced,” Mr. Nizomov said.

The yellow cab industry is struggling amid the rising popularity of ride-sharing apps such as Uber and Lyft. Yellow taxi farebox revenue declined 7.5% in 2015 and 8.8% in 2016, according to an analysis by Matthew Daus, a former NYC Taxi and Limousine Commissioner.

Mr. Daus said that unlocking drivers from a 12-hour shift should lead to better distribution of cabs during peak demand hours. He noted that it was safer for passengers too, because drivers wouldn't feel compelled to work a full shift even when they were tired.

Write to Paul Berger at Paul.Berger@wsj.com

Appeared in the August 28, 2017, print edition as 'Taxi Drivers Get New Lease on Their Work Life.'