

Dear Members of the Council of the District of Columbia,

We, the undersigned, are a coalition of public policy think tanks and advocacy organizations writing to express our concern with the proposed bill, “Professional Taxicab Standards and Medallion Establishment Act of 2011.”

No major United States city enjoys as many taxicabs per capita as Washington, D.C. Nevertheless, as the bill observes, many District neighborhoods lack meaningful access to curbside taxicab service. Yet the bill would likely have the effect of reducing overall access to curbside taxicab service and raise the cost of such services for the majority of residents and visitors to D.C.

The bill would greatly reduce the total number of licensed taxicabs. That is the *purpose* of the medallion system, which will be prohibitively expensive for many independent operators. It is a basic economic principle that when supply is reduced and demand remains the same, price goes up. The bill also imposes artificial service boundaries by fiat and restricts the number of qualified operators—both of which will further reduce availability and increase cost. Finally, by subsidizing loans to a small percentage of politically favored operators, the bill seeks to buy favor among a key constituency. This will further reduce competition, resulting in poorer service and higher costs.

The current regulatory regime governing Washington, D.C.’s taxicab industry, while imperfect, has made possible some of the best taxicab service in the United States. Comparatively open entry into the D.C. taxicab market has allowed many entrepreneurs to earn a living and has enabled District residents and visitors to access a large fleet of vehicles.

The proposed legislation would benefit a tiny portion of taxicab owners at the expense of independent operators, residents, businesses, and the District’s reputation as a convenient and comfortable tourist destination. While current regulations governing the practices of the Washington, D.C. taxicab industry could be reformed, this bill would only worsen the very problems it purports to alleviate. Thus, we strongly urge the Council of the District of Columbia to reject this deeply misguided piece of legislation.

Sincerely,

Grover Norquist, President  
**Americans for Tax Reform**

Nicole Kurokawa Neily, Executive Director  
**Independent Women’s Voice**

Fred L. Smith, Jr., President  
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Dennis Reilly, President  
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