

Lawmakers discuss alternative transportation, including ride-sharing, but agreement looks elusive

By Barbara Soderlin / World-Herald staff writer | Posted: Thursday, September 11, 2014 10:45 am

LINCOLN — State Sen. Heath Mello of Omaha has less than four months to get groups as varied as taxi companies, the insurance industry and his Lyft - and Uber- loving constituents to collectively say “yes” to a piece of legislation legalizing the ride services in Nebraska.

Judging from contentious testimony at a Thursday hearing, it could be a bumpy ride trying to get all parties to agree on a new law, as Mello hopes, before the next session starts in January.

Speakers invited to address a legislative committee Thursday in Lincoln didn't even agree that new legislation is needed or on whether the new app-based ride services are fundamentally different from taxicabs and should be regulated differently.

The daylong hearing focused on alternative transportation methods in Nebraska, also touching on bicycle safety and how helmet laws pertain to the three-wheeled Elio vehicle.

The committee chairwoman, Sen. Annette Dubas of Fullerton, said the hearing was an opportunity for the committee to get a good idea of what's going on with alternative transportation in the state and the outcome will be a written report for the rest of the Legislature.

Technology moves faster than state government, for better or worse, she said. She hopes to balance protecting citizens with welcoming new business.

“This committee has a lot to chew on,” Dubas said.

Lyft and Uber generally found support from drivers and senators, but also defended themselves against accusations they had been “arrogant” and “bullying” by entering the state without first at least meeting transportation regulators, let alone securing the authority to operate.



elio_showcase

The Elio, a three-wheeled prototype vehicle, is shown in traffic in Royal Oak, Michigan, on Aug. 14.

Meanwhile, no one had an answer to Dubas' repeated questions about what to do in the meantime. She said Lyft and Uber are "probably operating against the law in Nebraska." Drivers are being ticketed.

Lyft attorney David Levy said that the company is open to an "appropriate regulatory regime" and that Lyft has proposed an interim operating agreement similar to one in use in Detroit that would allow the services to run legally until a long-term solution is in place.

But Public Service Commissioner Anne Boyle said such an agreement would open the state to liability.

And Kirby Young, an owner of the Lincoln-based Servant Cab company, said it's unfair to roll out a carpet for the companies. "Does the State of Nebraska want to send the message that if you don't like a law in this state, you can just break it?" he said.

He said Lyft should be regulated the same way his company is.

"You can put lipstick on a pig or a mustache on a car," he said, referring to the fuzzy pink mustaches that Lyft drivers put on their cars. "You're still transporting someone for hire."

Mello, who hopes to avoid the kind of fighting other states have seen over the issue, said after the hearing that he believes the companies' business models are fundamentally different from taxis', and should be regulated differently, but that taxi regulations also should be re-examined if they are outdated.

This is only the first of these debates to arise, he said, as other industries, such as hospitality, also are being challenged by tech companies like Airbnb.

"This is a new frontier in public policy," he said.

Thursday's testimony also included comments from representatives of Happy Cab, Uber, City Taxi, the Property Casualty Insurers Association of America and the Omaha Chamber of Commerce.

Sen. Jim Smith of Papillion said he wants Nebraska law to balance free-market economics and public choice with consumer safety and protection.

"We're not looking at this as whether this is a technology we're going to embrace, it's a matter of when we're going to embrace it and how we're going to embrace it," Smith said.

Sen. Lydia Brasch of Bancroft and others stressed several times that they welcome new businesses, but Brasch said that in addition to welcoming "cyber companies," "we also need to protect our brick-and-mortar companies," including the regulated taxi industry.

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