

Colorado lawmakers have right idea on taxis

By The Denver Post Editorial Board

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Taxi drivers wait for customers on March 18, 2011, outside a hotel in downtown Denver. (RJ Sangosti, Denver Post file)

Among the highlights of Colorado's 2014 legislative session were spirited debates over how to regulate transportation newcomers UberX and Lyft. To their credit, lawmakers eventually passed a bill allowing the newcomers into the market despite a massive lobbying campaign by the taxi industry.

But transportation regulation in Colorado remains needlessly burdensome and bureaucratic, and an unusual coalition of Democrats and Republicans in the legislature have banded

together to do something about it.

They're sponsoring House Bill 1316, which would simplify the process by which a new company could supply service in eight Front Range counties, including metro Denver.

Currently, the Public Utilities Commission requires an applicant to demonstrate a public need for the new service. That claim can then be challenged by opponents and the application denied by the PUC if it believes the rebuttal was effective.

Throughout most of the economy, of course, upstart suppliers do not have to make any such demonstration of public demand, and it makes little sense for them to have to do so in transportation, either. Consumers are the ultimate regulators of supply through the choices they make.

To that end, HB 1316 explicitly states that an "applicant need not prove the inadequacy of existing taxicab service, if any, within the applicant's proposed geographic area of operation."

In addition, if the PUC determines that the applicant "has proved its operational and financial fitness, the commission shall grant the applicant a certificate."

Rep. Steve Lebsock, D-Thornton, who is a key sponsor of the legislation, told us that new taxi firms shouldn't need a "by your leave" from government in order to compete in the market. He values the PUC's role in protecting public safety, he emphasized, but sees no reason why normal market forces should be suppressed in deciding whether demand exists for additional service.

The legislature made giant steps last year toward upgrading this state's transportation regulation. Lebsock's bill helps further that process.

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