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## End Lincoln's Taxi Monopoly by Adam Hornung and Jordan Cash

This month, the Public Service Commission will review whether to grant permits to five Omaha cab companies looking to operate in Lincoln. These five companies would provide needed competition to Servant Cab, the only taxi company currently licensed to operate in Lincoln and a company which is notorious for its high rates, long wait times and poor customer service.

The situation that created the Servant Cab monopoly demonstrates a failure in government regulation. State law dictates that companies seeking to operate taxis must prove that their services "are or will be required by the present or future public convenience and necessity" of the community they seek to serve. This regulation restricts the market, as companies new to particular areas have the difficult task of demonstrating the necessity of their services while existing companies may claim that their current services are all that the market can handle without putting people out of work. An attempt to rectify this monopoly-creating regulation in the last legislative session was indefinitely postponed by the Legislature.

Although this regulation remains in place, the PSC has an opportunity to open up the market and provide much-needed competition. Lincoln cab fares currently are some of the most expensive in the nation, and Servant Cab charges rates nearly twice as high as their Omaha counterparts. Cities with populations comparable to Lincoln, including Lexington, Ken., Baton Rouge, La., and Madison, Wis., also have much lower average rates.

Giving permits to Omaha companies to begin operation in Lincoln is not only economically advantageous for Lincoln citizens and visitors, but also was encouraged strongly at a public PSC hearing by an overflowing room of supporters of competition, including college students, local business owners, handicapped riders and visitors alike. Supporters urged the PSC to consider that although a single cab system exists under the guise of "public necessity," the lack of competition has worked to the disadvantage of the public and created a very real need for competition to make up for the inadequacies because of the lack of a free market. The Lincoln Chamber of Commerce agreed with this assessment, and added that business travelers visiting Lincoln could not depend on

taxis to go to and from the Lincoln airport on time.

Giving these permits to Omaha companies would be a big step for the PSC, but not a revolutionary one. Several years ago, the PSC expanded the authority of the passenger transportation company OMALiNK and allowed Luxury Limousine of Syracuse to begin operating in Lincoln.

The PSC should grant these Omaha companies the necessary permits allowing them to compete with Servant Cab in the free market; such competition will help Lincoln residents, visitors and businesses, and give them better services at lower prices. However, more should be done to reform the restricting regulations currently enforced by the PSC. These regulations have limited the ability for competition to provide customers a better service, and while these permits will increase competition, they will not solve the underlying problem of overregulation on transporting passengers. But in the meantime, the PSC should issue these permits and end Servant Cab's regulatory stranglehold on Lincoln's taxi service.

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The original article may be viewed at

[http://journalstar.com/news/opinion/editorial/columnists/local-view-end-lincoln-s-taxi-monopoly/article\\_5856e497-f524-511a-9a5c-ef1226f60c9c.html](http://journalstar.com/news/opinion/editorial/columnists/local-view-end-lincoln-s-taxi-monopoly/article_5856e497-f524-511a-9a5c-ef1226f60c9c.html).



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