

# NEBRASKA PUBLIC SERVICE COMMISSION

ANNUAL REPORT TO THE LEGISLATURE  
ON THE STATUS OF  
THE IMPLEMENTATION OF LB 629 [2015]



**December 10, 2024**

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December 10, 2024

Brandon Metzler  
Clerk of the Legislature  
State Capitol, Room 2018  
P.O. Box 94604  
Lincoln, NE 68509-4604

Dear Mr. Metzler:

This is the 9<sup>th</sup> year the Public Service Commission has provided a report to the Legislature per LB 629 (2015) which details information gathered from Transportation Network Companies (TNC) and taxi cabs. The 2024 report once again strives to address potential concerns by Legislators of unfair competition due to the respective regulatory schemes of TNC's and taxis.

This report covers relevant information related to Nebraska's transportation network companies and taxicab companies from July 1, 2023 through June 30, 2024. In particular, the report will show the outlook of TNCs and taxicabs several years after the COVID-19 pandemic. Mainly, that overall ridership for TNCs remain on the rise while taxicab ridership is still at levels lower than those pre-pandemic. The data continues to show that TNC ridership and taxicab ridership have their own markets that do not seem to have a quantifiable effect on each other.

We hope that the information provided will be useful in the Legislature's continued assessment of LB 629's effectiveness. If you have any questions, please contact our Commissioners or staff.

Sincerely,

Dan Watermeier  
Chair

Thomas W. Golden, Executive Director

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## Introduction

1. This report provides information, research, and analysis pursuant to LB 629 (2015), which forms the basis for the Public Service Commission's (PSC, Commission) recommendations to the Legislature regarding the implementation of statutes related to Transportation Network Companies (TNCs). TNCs use online-enabled applications such as smartphone apps to provide prearranged transportation services in a participating driver's personal vehicle. Drivers and passengers are connected through the TNC's online-application.<sup>i</sup> The data presented herein also reflects impacts to the existing taxicab industry within the state.

The statutory framework in LB 629 includes a list of data that, at a minimum, should be included in each year's report:

- number of TNC permits issued;
- any permit revocation proceedings;
- number of taxicab carriers, as well as the following statistics for each, relative to historical numbers:
  - rides provided,
  - taxicabs in service, and
  - drivers employed or contracted.

The statute also allows the Commission to provide any other information that it believes will assist the Legislature in evaluating the effectiveness of LB 629.<sup>ii</sup> To provide the Legislature with sufficient information, the Commission solicited data from taxicab carriers, TNCs, and the Nebraska Department of Health and Human Services. The final section of this report details specific recommendations to the Legislature for its upcoming session, but in summary, the highlights of the 2024 TNC Annual Report are as follows:

- *Fees:* The Commission determined that the 2024 per-vehicle fee for TNCs should remain at \$80 per vehicle.
- *Impact of TNCs and Other Considerations.* Both the TNC and taxicab industries were hit hard at the start of the COVID-19 global pandemic in 2020. Data shows that a new normal has likely been established within the taxicab industry. Further, the data shows that there is not a 1:1 ratio between TNC ridership and taxicab ridership. While taxicab ridership has stabilized at levels lower than pre-pandemic levels, TNC ridership seems to be experiencing continued growth in Nebraska.

## **Brief History of Transportation and the Commission**

The Nebraska Public Service Commission (Commission) is a constitutionally created body established under Article IV, Section 20 of the Nebraska Constitution. The Commission is comprised of five elected Commissioners serving six-year terms. The Legislature initially created the Commission in 1885 to regulate railroads, but that was not firmly established until the passage of a constitutional amendment in 1906, creating a three-member elected Railway Commission. Membership increased to five Commissioners in 1964, at which point the State was divided into five districts, each to elect a commissioner. A general election vote in 1972 changed the Railway Commission's name to the Public Service Commission.

Today, the Commission regulates telecommunications carriers; natural gas jurisdictional utilities; major oil pipelines; certain aspects of railroad safety; household goods movers and passenger carriers; grain warehouses and dealers; construction of manufactured and modular homes and recreational vehicles; high voltage electric transmission lines; and private water company rates. The Commission also oversees and administers several statutorily created funds with specific legislative purposes and goals.

The Commission actively contributes on local, state, and national levels to determine policy regarding the future of communications and universal service. Many Commissioners, past and present, have served on boards, committees, and advisory groups to recommend and give insight on policy matters to state and federal agencies and to legislative bodies.

### *History of Transportation Authority*

The Commission's first role was the regulation of transportation – specifically the regulation of railroads – in 1885. Although the Commission's authority over railroads has greatly diminished due to the federal preemption of most aspects of the railroad industry, the Commission has since gained authority to certificate and regulate passenger transportation companies; to perform inspections related to certain aspects of intrastate railroad safety; to set the fares charged by passenger carriers; to investigate alleged rate violations and other illegal activities by certificated and non-certificated providers; to regulate insurance requirements; to perform inspections of most passenger transportation vehicles to verify safety; and to investigate complaints involving improper billing, driver misconduct or safety issues. The Commission's transportation authority shifted in 2020 to license household goods movers and railroad employee transportation and no longer set rates and charges for these services.

## *LB 629*

In 2014, a new type of passenger transportation provider began doing business in Nebraska. Transportation network companies, or TNCs, provide point-to-point transportation for passengers in a driver's personal vehicle. Rides are prearranged and compensation is provided through the TNC's smartphone application or online platform.

In 2015, the Legislature passed LB 629, which created a statutory framework for the TNCs and granted authority to the Commission to implement those laws. The new statutes require that TNCs acquire a permit from the Commission to operate as a TNC, and lays out requirements for drivers, vehicles, and insurance. The statutes do not grant the Commission the authority to regulate rates, but each TNC is required to file its rates with the Commission. The Commission may also inspect records on an audit basis no more than once each calendar quarter, or as necessary to investigate a complaint.

### *Transportation Network Company Regulation Cash Fund*

LB 629 authorized the Commission to create the Transportation Network Company Regulation Cash Fund. The Fund is to be used to regulate TNCs and to enforce the applicable statutory sections. The Commission collects annual and initial application fees from TNCs and remits these amounts to the Fund. Pursuant to NEB. REV. STAT. § 75-305(2), every TNC may choose to pay either \$25,000 or not to exceed \$80 per personal vehicle operated by a driver for the TNC. The Commission is tasked with setting the per-vehicle fee. As of December 2, 2024, the balance of the Fund was approximately \$78,437.03.

On September 24, 2024, the Commission held a public hearing and determined that the per-vehicle fee for 2024 should continue to be set at \$80.00 per personal vehicle operated by a driver for the TNC. All annual fees are payable to the Commission by January 1 and are considered delinquent March 1.

## **Transportation Network Companies**

NEB. REV. STAT. § 75-324 requires TNCs to apply with the Commission for permits to operate in Nebraska. Each TNC applicant must file its application with appropriate fee, along with a copy of its current rates, insurance certificate, drug and alcohol and anti-discrimination policies, and its Articles of Incorporation, Organization, or Certification to transact business from the Nebraska Secretary of State. Additionally, the TNC must indicate whether it has been duly certified to operate as a TNC in at least one other state. If a TNC has not been duly certified to operate in at least one other state, the TNC must demonstrate that it has sufficient financial and managerial resources and technical competency to provide TNC services in its proposed territory.

There are four carriers that currently have a TNC permit issued by the Commission: Rasier, LLC (Uber), Lyft, Inc., Kidcaboo, LLC, and River North Transit, LLC. The Commission estimate of over 600 drivers between the TNC companies remains accurate even with the addition of River North Transit, LLC into the market in 2024. The vast majority of the drivers are in the Omaha and Lincoln metropolitan areas.

Pursuant to NEB. REV. STAT. § 75-332, participating drivers wishing to use a personal vehicle with a lien must notify their lienholder at least seven days prior to using the vehicle in the course of driving for the TNC. That notification form must then be filed with the Commission and kept on file for at least five years. The Commission did not receive a lienholder notification form between December 3, 2023 and December 3, 2024.

Additionally, NEB. REV. STAT. § 75-329 authorizes the Commission to inspect TNC records to ensure public safety, including criminal background checks of drivers. Such inspections may be completed no more than once a calendar quarter unless the Commission deems it necessary to do so more frequently and must be completed on an audit rather than a comprehensive basis.

### *Enforcement*

The Commission has engaged in enforcement activities since TNCs began to operate in Nebraska prior to the passage of LB 629 and have continued as part of the Commission's overall for-hire transportation enforcement and compliance efforts. During 2023-2024, the Commission did not receive any specific tips that led to informal investigations of TNCs by Commission staff. However, Transportation Investigators engage in monitoring activities proactively.

## **Taxicab Carriers**

The Commission defines taxi service as the business of carrying passengers for hire by a vehicle along the most direct route between the points of origin and destination or a route under the control of the person who hired the vehicle. Taxi rides are either prearranged or on-demand and conducted within a defined geographic area at a metered, mileage-based, or per-trip fare.

There are currently 19 taxicab carriers that hold a Certificate of Public Convenience and Necessity to provide taxi services in the State of Nebraska. There are currently multiple open applications seeking to pursue additional taxi authorities within the State.

The purpose of this Annual Report is to provide information to the Legislature that would assist in evaluating the effectiveness of LB 629 and address any need for further legislation. The Report includes data received from the certificated taxicab carriers, the permitted TNCs, as well as the Nebraska Department of Health and Human Services (NDHHS). All data is reported and analyzed in the aggregate, with no discussion about impacts to individual carriers.

Each year the Commission requests that each taxicab carrier submit data regarding the number of taxicabs in service, the number of drivers employed or contracted, and the number of rides completed. The data is compiled via self-reporting of quarterly increments by each taxicab carrier.

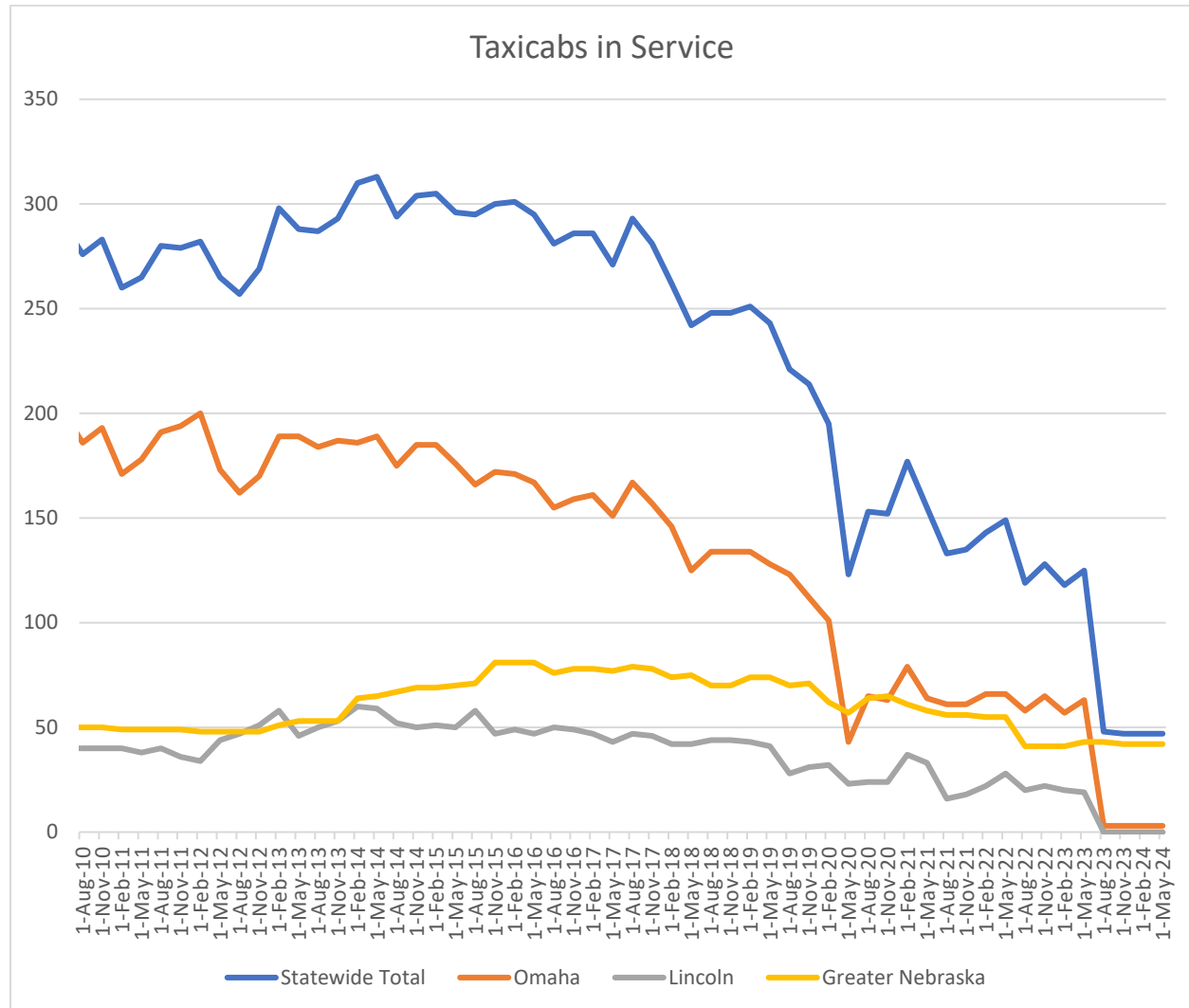
Below you will find graphs depicting the following data:

- Taxicabs in Service.
- Taxicab drivers employed or contracted.
- Taxicab rides given quarterly.
- Nebraska Department of Health and Human Services trips.

The data in each graph is distinguished by geographic area and a brief analysis is also provided.

It is imperative to note that the analysis and recommendations of this report are based purely on self-reported data voluntarily provided by the authorized taxicabs. This year in particular the Commission experienced difficulties in compiling the data for this report due to failures by taxicab carriers to submit responsive data. With that, there were difficulties drawing conclusions as a significant portion of relevant data was not provided to the Commission. Such limitations are important to recognize while reviewing the data that follows.

## Taxicabs in Service



The data would purport to show that there has been a dramatic decrease in the number of taxicabs in service primarily reflective of operations in Lincoln and Omaha. This decrease can be explained by the failure of the largest taxicab operation in Nebraska, the zTrip companies, from providing the Commission with data for the prior reporting period. That does not mean that there could not have been a decrease in the number of taxicabs in service, but it is highly unlikely that any actual decrease would be in line with the data above. The only historical occurrence of a decrease of this magnitude corresponded to the COVID-19 global pandemic.

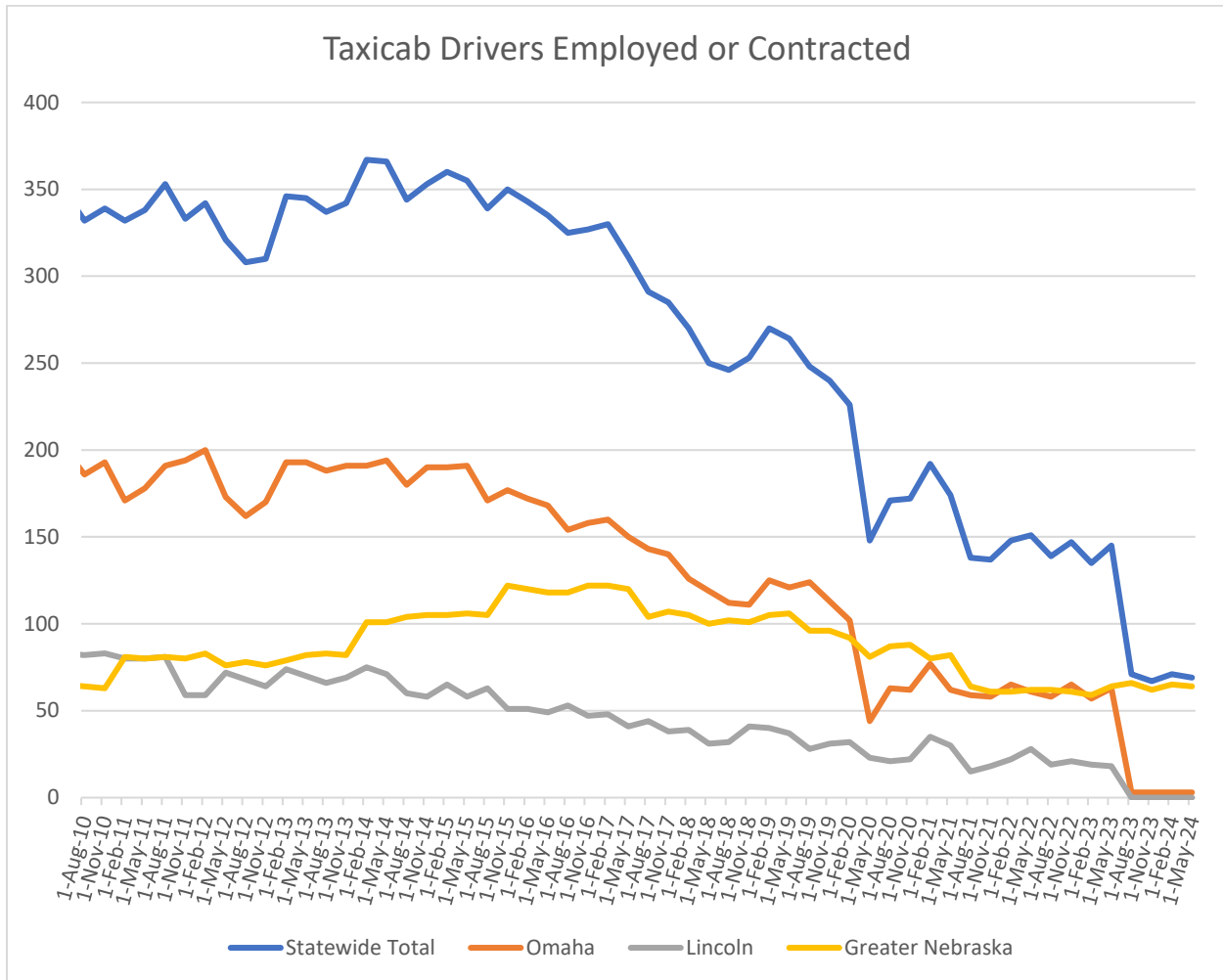
Presumably, if the appropriate data was received, it is likely that the trend beginning in August 2021 would have continued. The data from that period shows an average value of approximately twenty taxicabs in service in the Lincoln area and sixty-two vehicles in service in the Omaha area. Based on Commission vehicle registration data, the zTrip companies had a similar number of vehicles registered during 2024 as in prior years.



Regardless of the anomaly caused by the lack of zTrip data, there does not appear to be a deviation from the trend in taxicabs in service going back to August 2022. The number of taxicabs in service appear to remain consistent with the post-pandemic baseline. There also appears to be more volatility in taxicabs in service in the Lincoln and Omaha metropolitan areas compared to Greater Nebraska.

Last year's report noted that taxicabs in service within Lincoln were not on pace to return to pre-pandemic numbers but were establishing a "new normal." In addition, the data appeared to indicate the beginning of a sharp decline in taxicabs in service in Greater Nebraska. The data in this reporting periods seems to show that the number of taxicabs in Greater Nebraska may have plateaued. However, that number should increase slightly with projected new carriers entering the market in the spring of 2025. It is difficult to ascertain any trends in Lincoln and Omaha due to the lack of information for the zTrip companies. However, using the Commission's vehicle registration data and inferring a direct correlation to taxicabs in service, the conclusion could be drawn that the "new normal" is solidifying.

## Taxicab Drivers Employed or Contracted

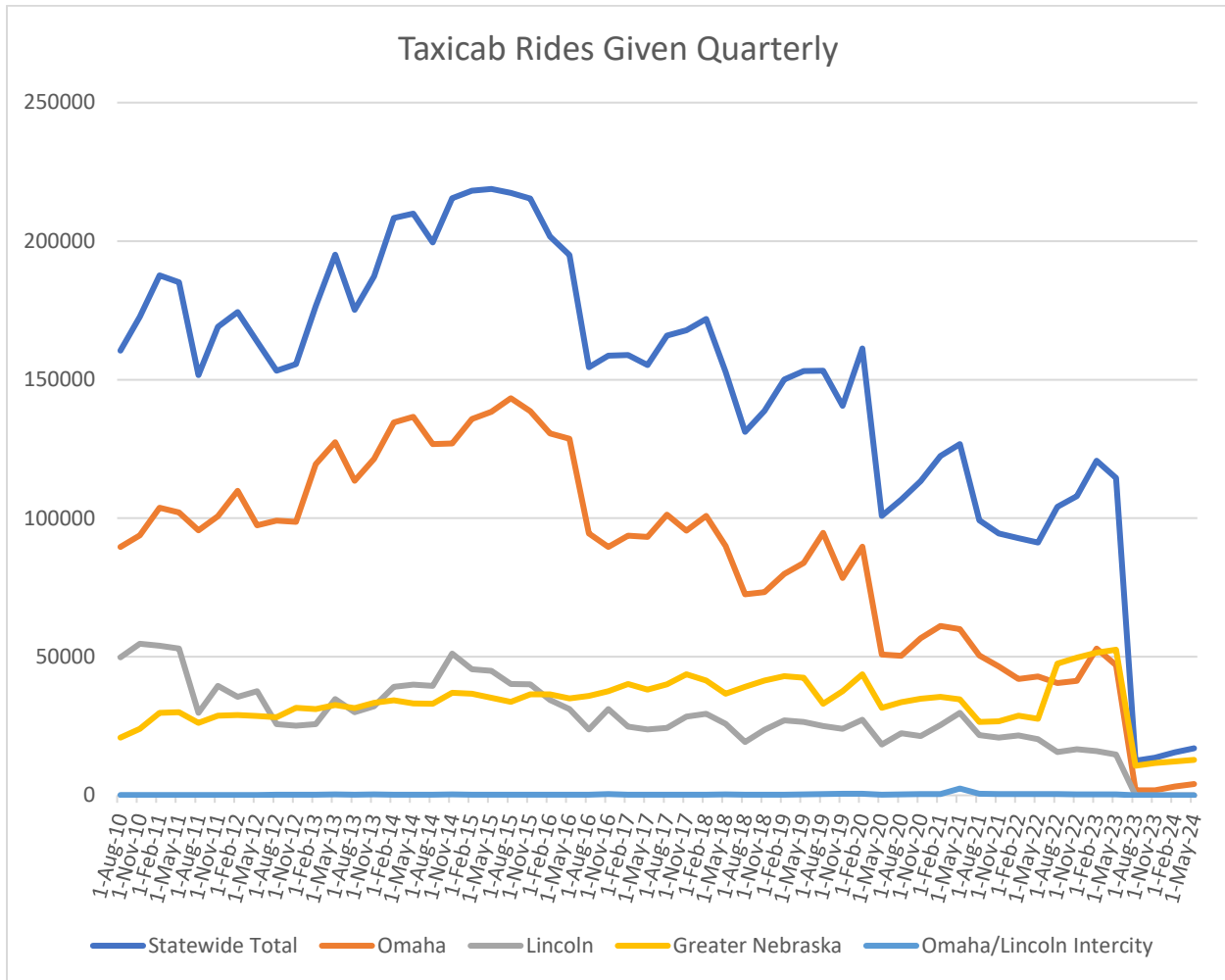


The above data shows the number of drivers either employed or contracted with a certificated taxicab carrier since May 2010. The COVID-19 global pandemic brought a sharp decline in the number of drivers. However, since early 2021, the number has seemed to plateau. Although the data reported in this cycle is skewed by the lack of information for the zTrip companies, a similar assumption can be made with drivers as was made with vehicles in service due to the natural correlation between vehicles and drivers who operate those vehicles. Historically, the data parallels. In times where there were a high number of vehicles in service there were also a correspondingly high number of drivers (2014 – 2016). Alternatively, when there was a sharp decline in taxicabs in service, there was an equally sharp decline in drivers (2019 – 2020).

Therefore, the following assumptions can be made. First, the trend of drivers either employed or contracted beginning in August 2021 would have continued during this reporting period if data would have been received from the zTrip companies as there is no indication of any event that would have caused a deviation in the trend of the past 2 reporting periods. Second, due to the historical parallel between taxicabs in service and

drivers employed or contracted, it is likely that the Commission vehicle registration data for this reporting period can provide an indication that the number of drivers employed or contracted would not be abnormal compared to recent years.

## Taxicab Rides Given Quarterly

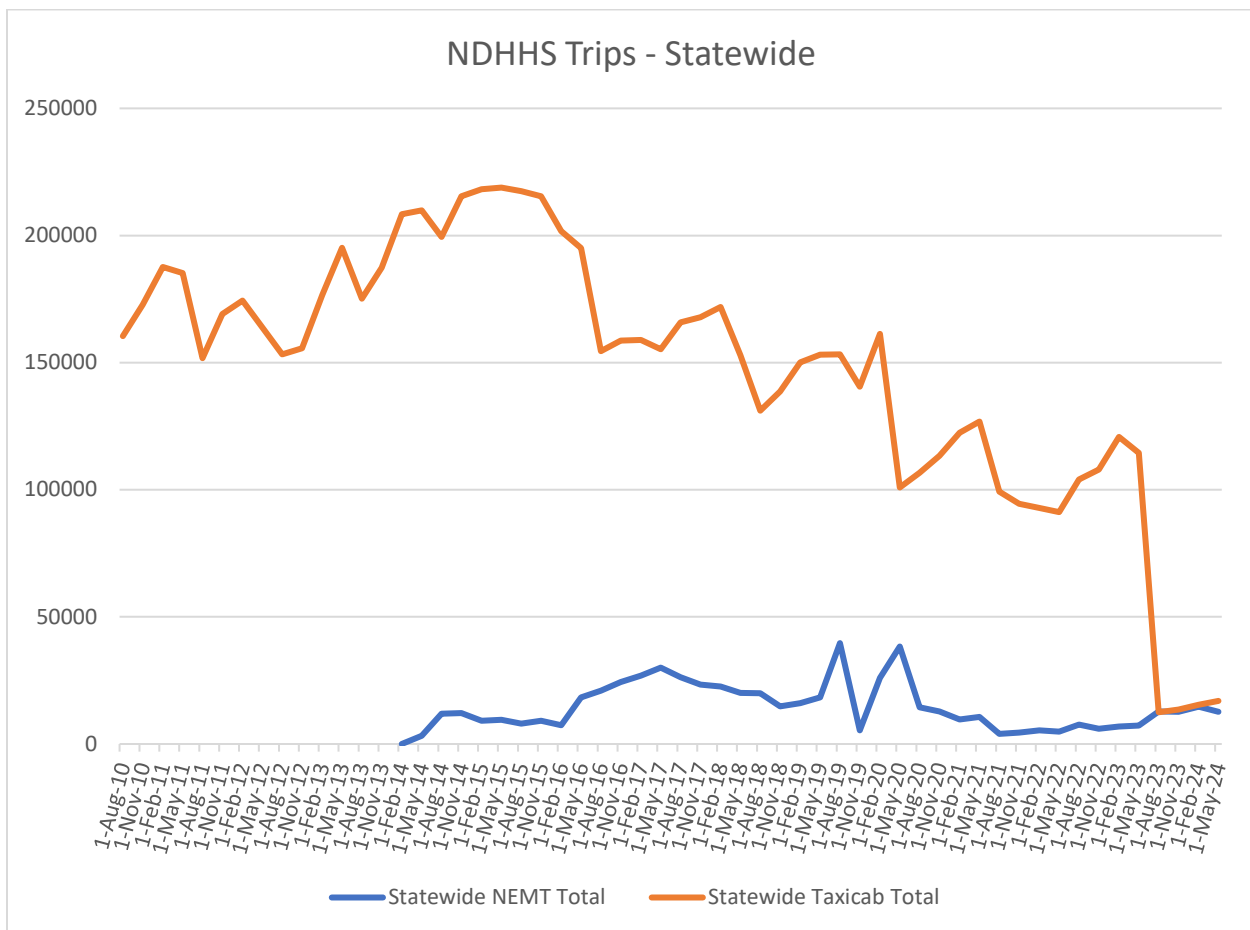


As common carriers, taxicab carriers provide transportation to the general public. Taxicab carriers may also provide transportation services as part of contracts with various public and private entities. The preceding chart shows the total rides completed for taxicab companies since May 2010, by quarter.

Of all the data from this reporting period, this dataset experiences the most volatility from the absence of reportable data from the zTrip companies. Due to the amount of operations zTrip has statewide, it is impossible to draw any legitimate conclusions from this reporting period. Frankly, the only responsible way to analyze this data would be to specifically address this time period in the 2025 TNC Report after having an opportunity to compare data from 2023 and 2025 in hopes of drawing an inference as it relates to the 2024 reporting period.

## NDHHS Trips - Statewide

About 15 of the 18 taxicab carriers provide non-emergency medical transportation (NEMT) services for clients of the Nebraska Department of Health and Human Services (NDHHS) across the state. NDHHS provided data to the Commission detailing the number of NEMT trips performed by taxicab carriers, reported in quarterly increments. The following chart shows the total NDHHS NEMT trips completed by taxicabs, as compared to all rides completed by taxicab carriers during the same period. Again, the lack of data reported by the zTrip companies impacts the ability to draw any conclusions for the reporting period. However, holistically the data does indicate that NEMT trips account for a minority of overall over taxicab trips.



Neb. Rev. Stat. § 75-342 provides that TNCs may apply with the Commission for HHS Designation to provide NEMT services for NDHHS. Any TNC application for HHS Designation would be reviewed using the same standards that the Commission would utilize to review HHS Designation applications for other passenger carriers. No Nebraska permitted TNCs have the ability to provide NEMT transportation for NDHHS clientele.

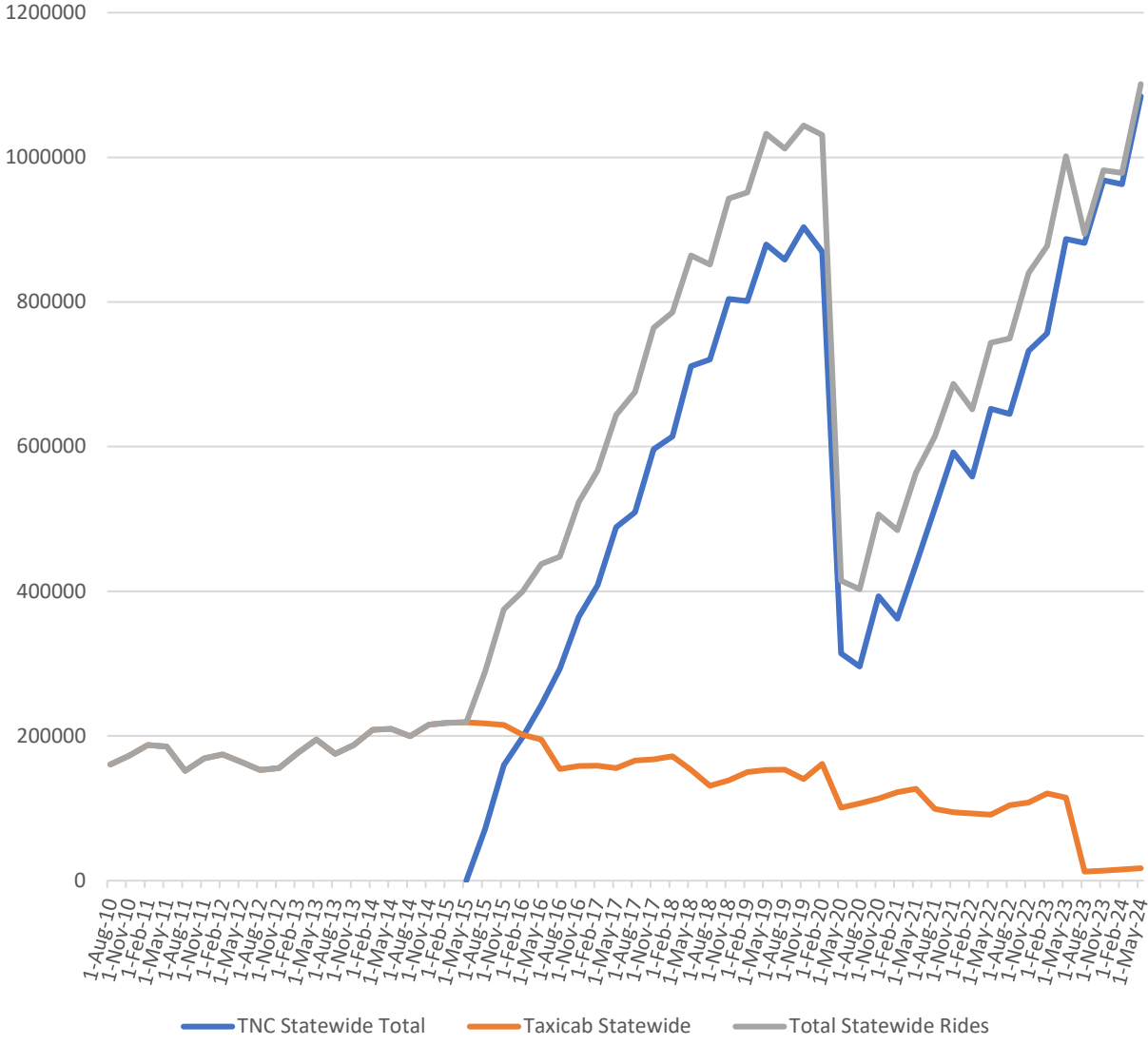
## TNC Impact on Taxicab Industry in Nebraska

### *Statewide Impact*

The Statewide data shows that taxicab ride numbers have remained on a steady decline since May of 2015. This reporting period is no different, even with the lack of data to show the impact of the zTrip companies. The data continues to show taxicab ridership is far below the ridership of TNCs. TNC ridership continues to increase since ridership drastically reduced due to the COVID-19 pandemic. TNC ridership continues to mirror the ridership between 2014-2020 after the brief disruption in ridership during middle to late 2020. In fact, ridership has now reached all time highs.

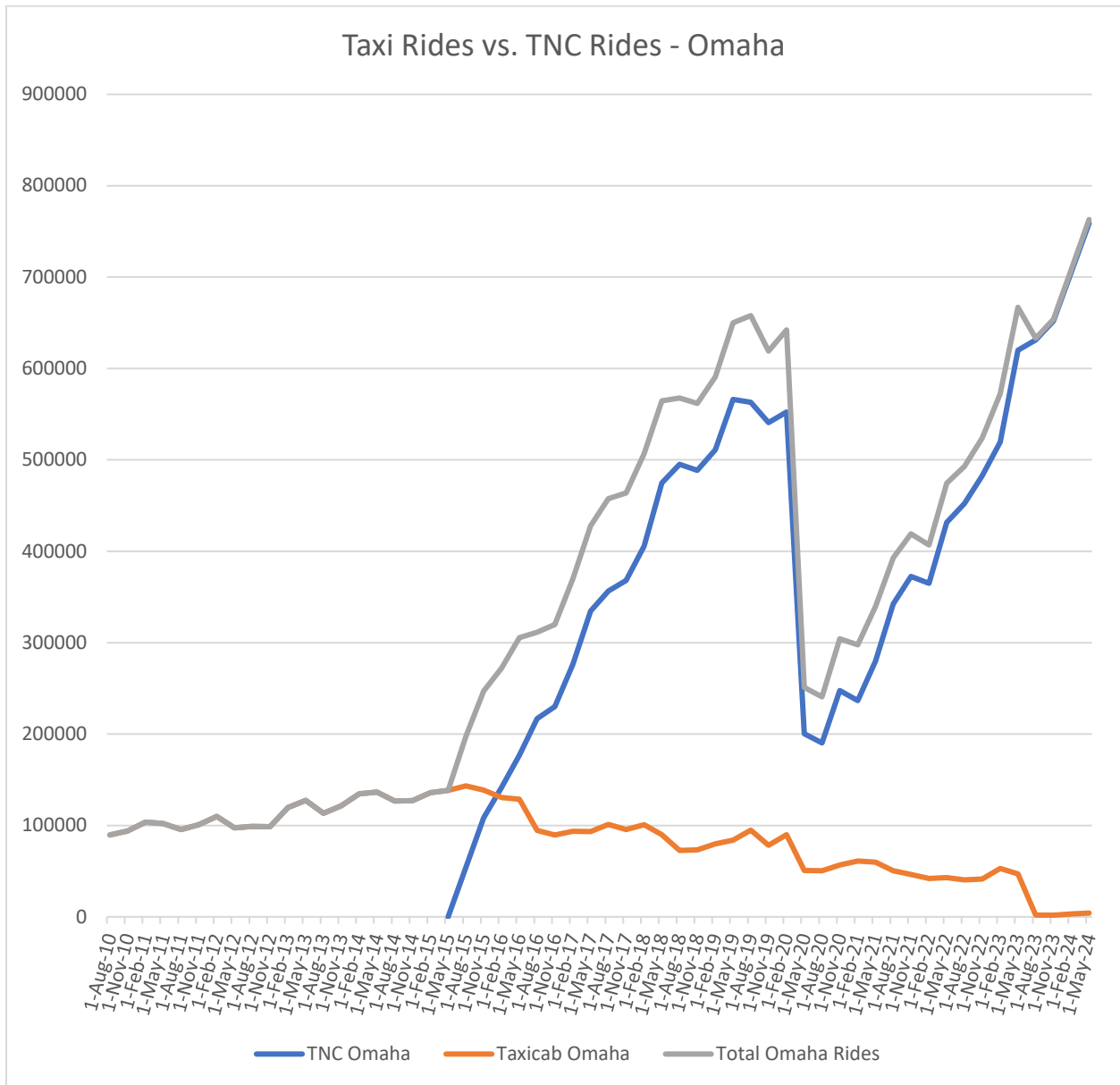
In last year's report, we noted that the data gathered over the last decade provides enough data to conclude that there does not exist a 1:1 correlation between TNC ridership and taxicab ridership. In other words, data does not show that an increase in TNC ridership results in a decrease in taxicab ridership. TNCs and taxicabs appear to have their own market share, and not in direct competition over a shared consumer base. This year's data does not rebut that assessment. The data continues to showcase that TNCs and taxicabs are independent of each other in terms of ridership. A holistic review of the data leads to the conclusion that there are variables that affect ridership that quantitative data is unable to capture and without identifying those variables the true impact that TNC have on the taxicab industry cannot be articulated. The following chart shows the reported ridership for both TNCs and taxicabs statewide:

### Taxi Rides vs. TNC Rides - Statewide



## Omaha

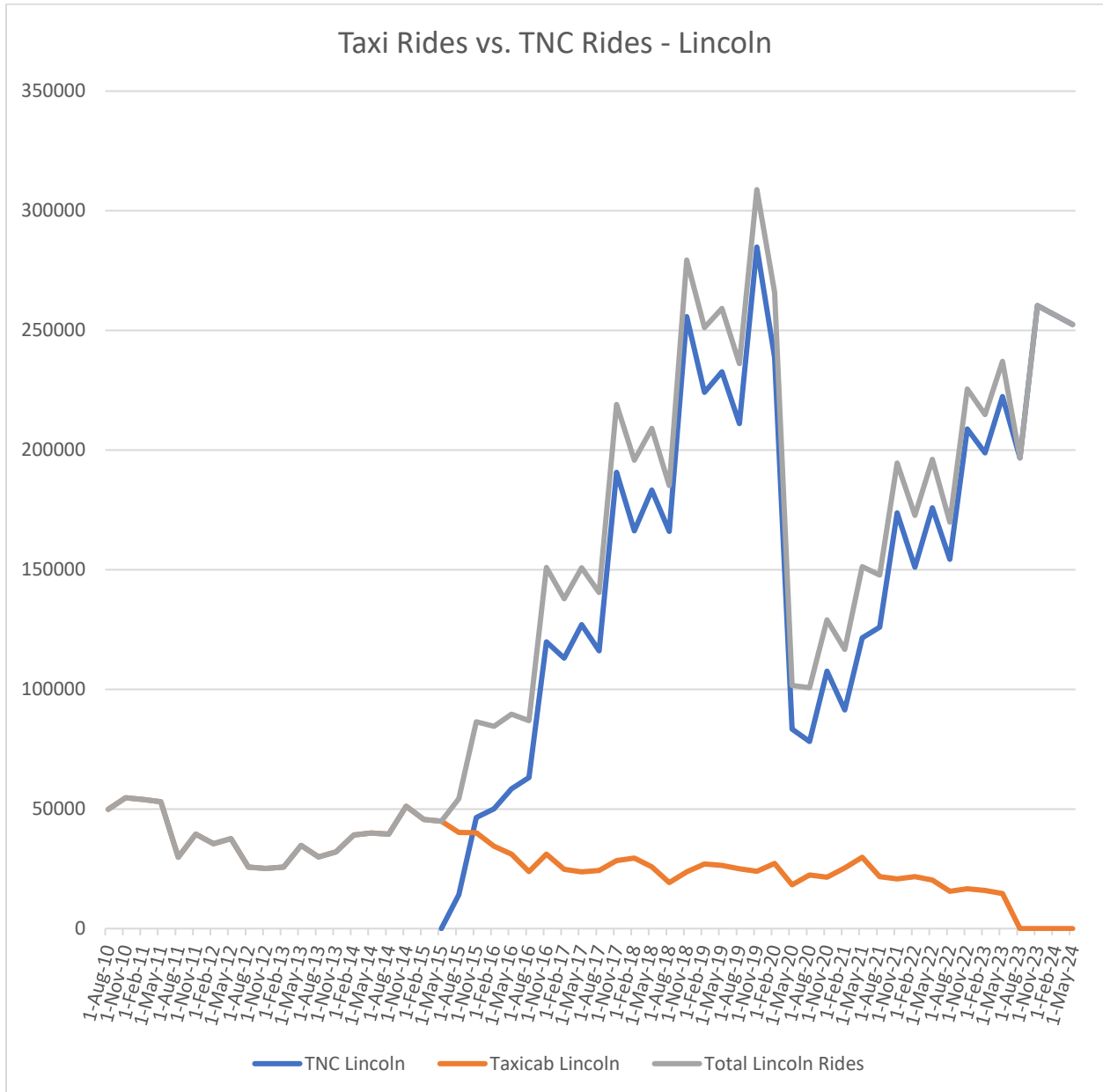
Both taxicab and TNC ridership in the Omaha metropolitan area took a severe drop starting February 2020. TNCs began to recover at the end of summer 2020 and into 2021; that recovery has continued through spring 2024. Taxicab ridership has remained on a steady decline with little indication of a possible upwards trend even with the lack of data concerning the zTrip companies for this reporting period. TNC ridership in the Omaha metropolitan area seems to be responsible for overall TNC ridership hitting an all time high in this reporting period.





## Lincoln

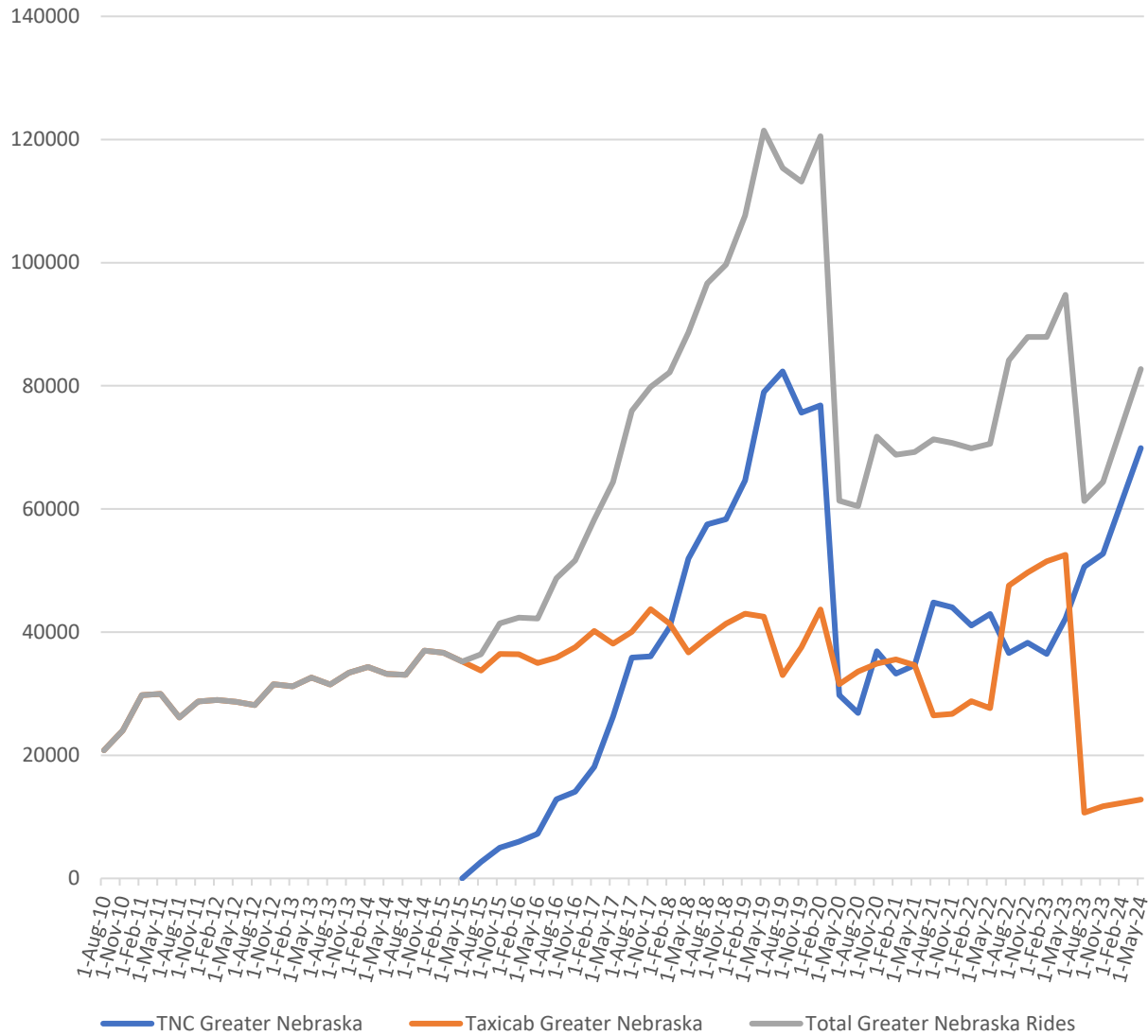
TNC ridership in Lincoln saw a similar steep decline as what was seen in Omaha in February 2020. After August 2020, TNC ridership showed ridership spikes at intervals seen at times prior to the pandemic. Taxicab ridership in Lincoln, as the case in Omaha, remains on a steady decline. However, TNC ridership in Lincoln has not reached levels seen in Omaha. Moreover, unlike in the Omaha metropolitan area, the TNC ridership in Lincoln appears to be on the cusp on a decline; but only data from the upcoming data period would confirm that theory.



## *Greater Nebraska*

Taxicab ridership outside of Omaha and Lincoln showed steady recovery starting May 2020 after the sharp decline in ridership in February 2020. Greater Nebraska is the only reporting area where TNC ridership dropped below taxicab ridership at the pandemic's start. The data collected during the last reporting period shows that taxicab ridership overtook TNC ridership in August 2022. Of particular note is the sharp increase in taxicab ridership in greater Nebraska beginning in May 2022. From May 2022 to August 2022, Greater Nebraska experienced the largest increase in taxicab ridership of any area since 2010 and that increase appears to continue in this reporting period. Previously, data has appeared to show that in some instances there is a 1:1 correlation between TNC ridership and taxicab ridership in Greater Nebraska. However, with the lack of data from the zTrip companies, it is impossible to determine that that occurred in this reporting period. Regardless, general ridership in Greater Nebraska continues to be on the rise.

### Taxi Rides vs. TNC Rides - Greater Nebraska



## **Recommendations for future Legislative Sessions**

The Commission has identified the following issues for the Legislature's consideration:

1. Insurance: Insurance coverage and liability continues to be an important issue. Nebraska TNC drivers may purchase a TNC auto insurance coverage endorsement for their personal auto policy that would be in addition to the insurance coverage required by the TNC to help ensure adequate coverage. Under Neb. Rev. Stat. §§ 75-333 and 75-334, insurance coverage may be satisfied by either insurance maintained by the driver, the TNC, or any combination of the two. The Commission would recommend that the Legislature, the Commission, and other entities continue to monitor insurance issues and ensure that there are no gaps in coverage and that the public is protected.
2. Dynamic Pricing: as mentioned in the 2020 Report, the pandemic triggered Neb. Rev. Stat. § 75-327(d)(iv), which states that dynamic pricing is not permitted during any state of emergency declared by the Governor. The statute does not give exception or guidance as to the duration and reinstatement of dynamic pricing should a state of emergency be enacted anywhere in the state for any reason. However, Executive Order No, 20-29 effective July 1, 2020 waived that requirement. The Commission would recommend that this provision be examined, and parameters be created for clarity.
3. Reporting Requirements: this reporting period has shown the impacts when on carrier fails to report data necessary for this annual report. The statute that outlines the requirement for the filing of the TNC Report does not provide the Commission any recourse for those who fail to provide the requisite data. The Commission would recommend that this provision be examined, and that an enforcement provision is outlined.

The Commission will monitor TNC operations and impacts to determine any additional legislative recommendations in the future.

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<sup>i</sup> Neb. Rev. Stat. § 75-323(10).

<sup>ii</sup> Neb. Rev. Stat. § 75-343.