

Judge blocks Uber from Nevada

By Scott Sonner, AP

A Washoe County District Court judge granted the state's request late Tuesday for a court order blocking the ridesharing company Uber Technologies from operating unregulated in Nevada, saying Uber's refusal to comply with the necessary state licensing requirements could put the public's safety at risk.

Nevada's attorney general filed a lawsuit last month arguing that the Internet application matching riders with drivers using personal cars for a fee infringes on the franchise rights of taxi companies and cabdrivers serving fare-paying passengers under state oversight.

Washoe District Judge Scott Freeman granted the state's request for a preliminary injunction pending a future trial based on concerns that Nevadans could be at risk as a result of the company's refusal to follow state laws regulating commercial motor carriers and passenger transportation services.

Freeman's ruling came after Nevada Department of Business and Industry Director Bruce Breslow and Freeman himself praised the Uber application. Breslow said he has used it multiple times in other cities where it's regulated.

"There's no question it's a wonderful product," Freeman said. "But I'm charged with following the law – the law currently in existence. ... I'm not going to risk the safety of the public."

The Delaware-based Uber maintains it is a technology company, not a transportation-services company subject to Nevada regulations that apply to taxis or commercial motor carriers. The state is trying "to compel a legal round peg into a square hole," said Don Campbell, a Las Vegas lawyer representing

Uber.

Breslow testified that representatives of Uber met with him last month to discuss ways they might comply with those regulations. But he said that two days later he was blindsided by Uber's formal launch of its business in Nevada on Oct. 24 with nothing more than an email notice that morning.

Deputy Attorney General Gina Session said Uber's defiance of state authority was unprecedented in her 20 years of dealing with regulatory law in Nevada. "I've never seen a multibillion-dollar company come into Nevada and so aggressively and deliberately disregard the law," she said.

Freeman questioned witnesses and lawyers directly at times during a more than six-hour hearing in his Reno courtroom on Tuesday.

"Why did Uber choose to operate first without regulation?" the judge asked Uber's lawyers at one point. "Why didn't you try to change the law first, then operate?"

Campbell pleaded with Freeman to deny the request for a preliminary injunction because there has been no irreparable harm or threat to public safety. He recommended instead that the judge set an expedited hearing schedule for a pending trial, which has yet to be scheduled.

Freeman said he would provide more detail in a formal order he hoped to issue on Wednesday. He ruled earlier Tuesday that taxi companies can't join the state's lawsuit because it currently is a regulatory matter, not a question of economic damages. He said that Bell Limo and Whittlesea Checker Taxi can claim monetary harm later and file civil lawsuits separately, the judge said.

Campbell argued that the company is not a motor carrier as defined by state law, in part because it does not "hold itself out to be public." Unlike taxicabs, the Uber drivers have no

distinguishing paint or other indications that identify them, and patrons are unable to hail them from a curbside, only order a ride through the online app.

“Uber does not dispatch anybody,” he said.

Campbell said that while Uber doesn't meet the specific state regulations, it does conduct background checks on drivers, requires vehicle inspections and provides assessments of drivers and riders alike in “real time” based on a reviews they can make via the online app immediately after completing their travel. He argued those reviews do a better job of detecting impaired drivers than the state's current policy that includes random drug testing.

But Freeman said that only helps after the fact and doesn't guard against dangers upon entering the vehicle. “By the time a customer figures out somebody in the car is stoned, it's too late,” he said.