

Uber may take fight to Nev. Legislature

By Scott Sonner, AP

RENO – Uber Technologies' legal battle with Nevada's highly regulated taxi industry over Internet ride-sharing may be headed back to the political arena now that a judge has at least temporarily banned Uber's unlicensed operations statewide.

Whether his restraining order put the brakes on an unregulated transportation service, or pulled the plug on emerging technology, is one of the questions lawmakers may be left to decide if Uber can't persuade state regulators to find a way to marry its virtual world with the real one on the Las Vegas Strip and the streets of Reno.

Uber says it's the victim of overzealous enforcement of antiquated laws that never envisioned smartphones that could "e-hail" transportation on demand. It's unclear whether any bills that would change the regulations are in the works. None of the brief summaries of the hundreds of bills lawmakers and state agencies have requested so far mention ride-sharing.

The company said late Wednesday that it temporarily stopped offering rides in Nevada as a result of the ruling.

"It's unfortunate that Nevada is the first state in the nation to temporarily suspend Uber," company spokeswoman Eva Behrend said in an emailed statement.

Nevada's attorney general says the multibillion-dollar company finds itself in park because it thumbed its nose at regulators and deliberately broke the law to maximize profits as long as it could.

Uber refused to seek the licenses because it maintains it's a technology company, not a motor carrier.

Chief Deputy Attorney General Gina Session suggested the company may have been picking a fight in court "to get attention before the legislative session and get some momentum."

"Uber's approach is to start operations in open violation of the law in hope a groundswell of public opinion will override the regulatory concerns," she told Washoe District Court Judge Scott Freeman. She said the company acquiesced before in agreeing to regulation elsewhere, including Nebraska, South Carolina and Maryland.

"When it wants to, it can work with regulatory oversight," she said. "Why not in Nevada? Are we the Wild, Wild West?"

Freeman said he thinks he knows why.

"They can save a lot of money if I let them operate without regulation because I find they are not a common carrier," the judge said during a nearly seven-hour hearing late Tuesday.

At one point, he directly questioned Uber officials on the witness stand as to why they suddenly abandoned discussions with the state and launched in Nevada Oct. 24 without any regulatory authority.

"Discussions were under way," he said. "Two days later, all heck breaks loose."

"Or heaven," Uber lobbyist John Griffin countered, "depending on your perspective."

From the consumers' perspective, Uber says its Internet application matching riders with drivers using personal cars is cheaper, more efficient and more accessible, especially in underserved neighborhoods.

Uber argues its service is not public because it's available only to "members of the online community – in sharp contrast to a taxi driver who just happens to be picking up literally anybody on the street," Uber lawyer Donald Campbell said.

The state disagrees.

"Just because you don't wait on the curb doesn't mean you're not available to the public," Session said.

Even before the ruling, Campbell suggested Uber may take a different approach going forward, whether it's in the courthouse or the statehouse.

"We get the message," he told the judge.