

STATE OF COLORADO

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John W. Hickenlooper
Governor

June 5, 2015

The Honorable Colorado House of Representatives
State Capitol
200 E. Colfax Ave.
Denver, CO 80203

Dear Members of the Colorado House of Representatives:

Today, we are filing with the Secretary of State House Bill 15-1316, "Concerning a Simplification of the Process by which the Public Utilities Commission may Issue a Certificate to Provide Taxicab Service in Certain Metropolitan Counties" at 5:00p.m.

I will neither sign nor veto HB 15-1316. Therefore, this bill will become law at 12:01 a.m. on June 6, 2015. This letter sets forth my reasons for allowing HB 15-1316 to become law without my signature.

Last year, Senate Bill 14-125 was approved opening the transportation market to companies such as Uber and Lyft. One year later, we have seen robust competition that offers consumers new options in a growing market - one in which consumers are choosing to take many more trips without driving their own vehicles, even as new companies enter the market. With this new flexibility in the market, we believe it antiquated to retain market barriers allowing more companies to compete. If entrepreneurial taxi companies have proven financial and operational fitness, then it is not the role of government to stand in their way to compete in this large and competitive market, particularly if these companies choose to abide by the tighter regulatory structures placed on taxicab companies. The ultimate judges of market supply should be Colorado consumers, not a cumbersome, government-imposed standard.

However, this legislation also falls short of the comprehensive review needed of both existing taxicab regulations and the process of entering the marketplace. HB 15-1316 highlights that Colorado has a problem - an inefficient taxicab market. Last year, with the signing of SB 14-125, we outlined the need for a comprehensive review of taxicab market regulations.

Unfortunately, this bill is not a comprehensive. Rather, it is a piecemeal approach that, while lowering one barrier to entry, does not address the issue of regulatory imbalances and government-enforced market inefficiencies. Furthermore, it disregards the reality that existing market participants have invested valuable resources and time to navigate the existing regulatory scheme - thereby creating an imbalance between existing and new market entrants.

Although HB 15-1316 will become law, we encourage the General Assembly again to take a comprehensive and thorough look at this market, bringing all stakeholders to the table, to achieve a fairer and more efficient transportation system. We would gladly consider lowering barriers to market entry as part of a larger reform package. In fact, we recognize that this is needed. In reviewing the entire market to ensure that consumer needs are being met, the legislature should address the following issues. First, public safety across the entire transportation market should be a top priority. Second, while this bill is silent on serving members of the disability community, we feel there are insufficient protections in state law to ensure that these consumers, who have fewer transportation options, are being adequately served. Finally, we want to consider the comprehensive set of regulations to ensure we have a fair and dynamic market for all companies offering transportation options.

For these reasons, I am allowing HB 15-1316 to become law without my signature. We encourage the General Assembly to continue this conversation, bring in diverse set of stakeholders, and adopt legislation next year which comprehensively reforms this industry. We stand ready to work with you on a more comprehensive solution.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Hickenlooper". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

John W. Hickenlooper
Governor