

NEBRASKA

PUBLIC SERVICE COMMISSION

COMMISSIONERS:
ERIC KAMLER
CHRISTIAN MIRCH
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December 16, 2025

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

Dear Mr. Metzler:

Enclosed is the Public Service Commission's annual report to the Legislature pursuant to LB 629 (2015). This marks the tenth year of reporting on Transportation Network Company (TNC) and taxicab activity in Nebraska.

This year's report covers the period from June 1, 2024 through May 31, 2025 and reflects a transportation market that continues to shift away from traditional taxi service and toward TNCs, particularly outside of Omaha and Lincoln. Taxicab activity remains stable but suppressed relative to pre-pandemic levels, with most carriers relying heavily on Medicaid non-emergency medical transportation to sustain operations. By contrast, TNC ridership continues to expand, and in Greater Nebraska now accounts for the majority of all point-to-point trips in several quarters of the reporting period.

The report also highlights persistent issues: uneven reporting compliance, ongoing concerns about insurance continuity, and gaps in service availability in communities where traditional operators have exited the market. These trends are structural, not temporary. They point to regulatory questions that will need attention as the state's for-hire transportation system continues to evolve.

We trust this information will assist the Legislature in its ongoing evaluation of LB 629 and future policy direction. Please contact the Commission or staff with any questions.

Sincerely,

Tim Schram
Chair

Gregory J. Walklin, Executive Director

Public Service Commission

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Introduction

This report fulfills the Public Service Commission's annual reporting obligations under LB 629 (2015), which requires the Commission to analyze the operation and impact of TNCs in Nebraska. TNCs use online-enabled applications to connect passengers with drivers using their personal vehicles for prearranged rides.

As required by statute, the report includes data on TNC permits, revocation proceedings, and comparative statistics from the state's taxi cab industry – including rides provided, vehicles in service, and driver counts – to help the Legislature evaluate the effectiveness of Nebraska's TNC regulatory framework. Additional data obtained from the Nebraska Department of Health and Human Services (DHHS) and directly from carriers provided context on industry trends.

The final section outlines recommendations for legislative consideration.

Brief History of Transportation and the Commission

The Commission was established under Article IV, Section 20 of the Nebraska Constitution. Five elected Commissioners govern the Commission and serve six-year terms. Originally created by the Legislature in 1885 to regulate railroads, the Commission's constitutional authority was formalized in 1906 as the three-member Railway Commission. Its membership expanded to five in 1964, and in 1972 voters approved a constitutional amendment renaming it the Public Service Commission.

Today, the Commission exercises regulatory oversight over a diverse range of industries, including telecommunications, natural gas utilities, major oil pipelines, grain warehouse and dealers, manufactured and modular housing, high voltage electric transmission lines, private water company rates, passenger carriers, household goods movers. Through the Federal Railroad Administration's State Participation Program, it also has oversight over railroads. The Commission administers multiple legislatively-created funds dedicated to specific public service objectives.

Transportation Authority

Transportation regulation has been central to the Commission's mission since its inception. While federal preemption has significantly narrowed its authority over railroad operations, the Commission retains broad authority to regulate intrastate passenger carriers and household goods movers – including investigation of consumer complaints, enforcement of insurance and safety requirements, and vehicle safety. In 2020, the Commission's regulatory oversight of household goods movers and transporters of railroad train crews was reduced by legislation to a license-based system.

LB 629 (2015) – Transportation Network Companies

The emergence of TNCs in 2014 introduced a new category of passenger transportation based on online-enable applications that connect drivers using personal vehicles with passengers seeking prearranged rides.

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In 2015, the Legislature enacted LB 629, establishing a statutory framework for TNCs and granting regulatory authority to the Commission. Under LB 629, TNCs must obtain a permit to operate and meet requirements related to drivers, vehicles, and insurance. Although the Commission does not regulate TNC ratemaking, each company must file its rates with the Commission and remains subject to quarterly audits or complaint-based investigations.

Transportation Network Company Regulation Cash Fund

LB 629 also created the Transportation Network Company Regulation Cash Fund, which finances the Commission's regulatory and enforcement activities related to TNCs. The Fund is supported exclusively through TNC permit and vehicle fees – ensuring the program operates without General Fund support. Pursuant to Neb. Rev. Stat. § 75-305(2), each TNC must elect to pay either a \$25,000 annual fee or an amount not exceeding \$80 per personal vehicle operated on its platform. The per vehicle fee is set each year by the Commission.

On October 21, 2025, following a public hearing, the Commission determined that the 2025-2026 fee would remain at \$80. All annual fees are due January 1 and become delinquent March 1.

Transportation Network Companies

Under Neb. Rev. Stat. § 75-324, TNCs must obtain a permit from the Commission to operate in Nebraska. Applications must include supporting documentation such as insurance verification, rate filings, corporate registration, and company policies regarding driver conduct, nondiscrimination, and drug and alcohol abuse. Applicants not certified in another state must also demonstrate sufficient financial, managerial, and technical capacity to provide safe and reliable service.

As of December 2025, three companies hold active TNC permits: Raiser, LLC (Uber), Lyft, Inc., and River North Transit, LLC. The Commission estimates that at minimum 640 drivers are currently affiliated with these companies, with the majority operating in the Omaha and Lincoln areas.

Pursuant to Neb. Rev. Stat. § 75-329, the Commission may audit TNC records on a quarterly basis to verify compliance with driver background checks, insurance requirements, and other statutory provisions. These inspections are limited to audit sampling unless a specific complaint warrants a broader review.

Enforcement

The Commission has conducted enforcement and compliance activities involving TNCs since their emergence in Nebraska prior to LB 629's enactment. During the 2024-2025 reporting period, there was one informal investigation into TNC operations. Specifically, the informal investigation sought information regarding TNC consumer complaint handling procedures. The Commission continues proactive monitoring and audit-based oversight consistent with the Commission's general for-hire enforcement program.

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Taxi cab carriers

The Commission defines taxi service as the transportation of passengers for hire along the most direct route or a route under the passenger's control, at a metered, mileage-based, or per-trip fare within a defined geographic area.

Eighteen taxicab carriers currently hold active Certificates of Public Convenience and Necessity to operate in Nebraska, with several additional applications pending. As part of this report, the Commission collected quarterly, self-reported data from certificated taxicab carriers, including number of taxi cabs in service; number of drivers employed or contracted; number of rides provided; and number of trips provided under Nebraska Department of Health and Human Service contracts.

Data is reported in the aggregate to protect individual carrier information. The Commission continues to use this annual reporting process to monitor industry trends, to assist the Legislature in evaluating the effectiveness of LB 629, and to identify areas where statutory refinement may be warranted.

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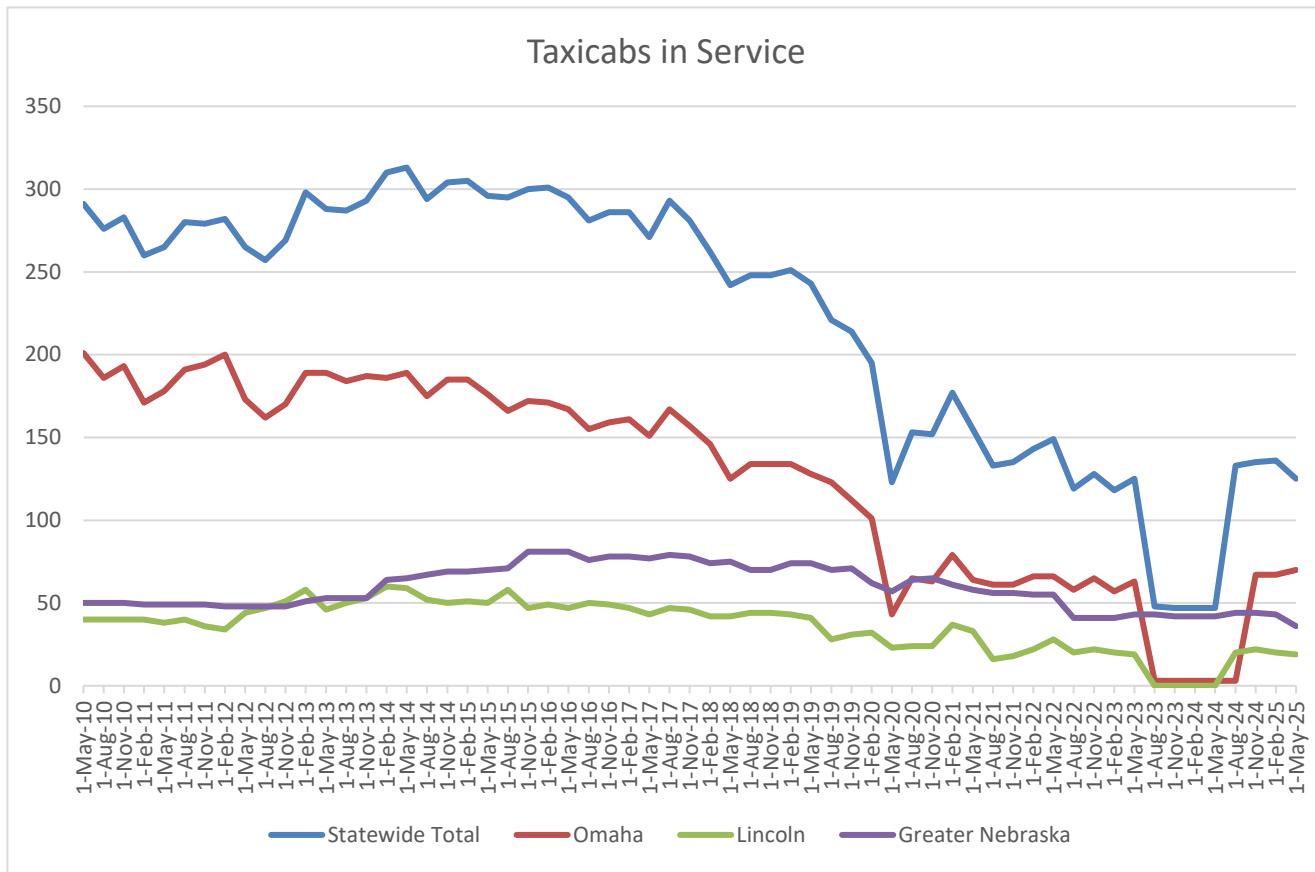
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Taxi cabs in Service



The statewide taxicab counts for the current reporting period remained largely stable with only minor quarterly variation: 133 cabs in service in Q1, 135 in Q2, 136 in Q3, and 125 in Q4. These figures are consistent with the post-2021 baseline and track closely with the last fully reported dataset from 2023. This stands in contrast to last year's report, where incomplete filings from the largest carrier produced an artificial statewide decline. With full data available this cycle, the longer-term pattern is clear: the number of cabs in service has been essentially flat for several years.

Regional patterns mirror post-pandemic norms. Omaha shows modest quarter-to-quarter volatility, Lincoln remains steady at roughly twenty vehicles, and Greater Nebraska stays within its historically narrow range despite a slight Q4 dip. While stable, the system continues to operate at a significantly reduced scale with minimal excess capacity. Greater Nebraska's reliance on a small provider base creates additional exposure to service gaps. Market concentration further heightens systemic risk, as incomplete filings or operational changes from one dominant operator can materially distort statewide totals.

In sum, the industry remains steady but shrunken—functioning reliably within its reduced structure but vulnerable to operational or reporting disruptions.

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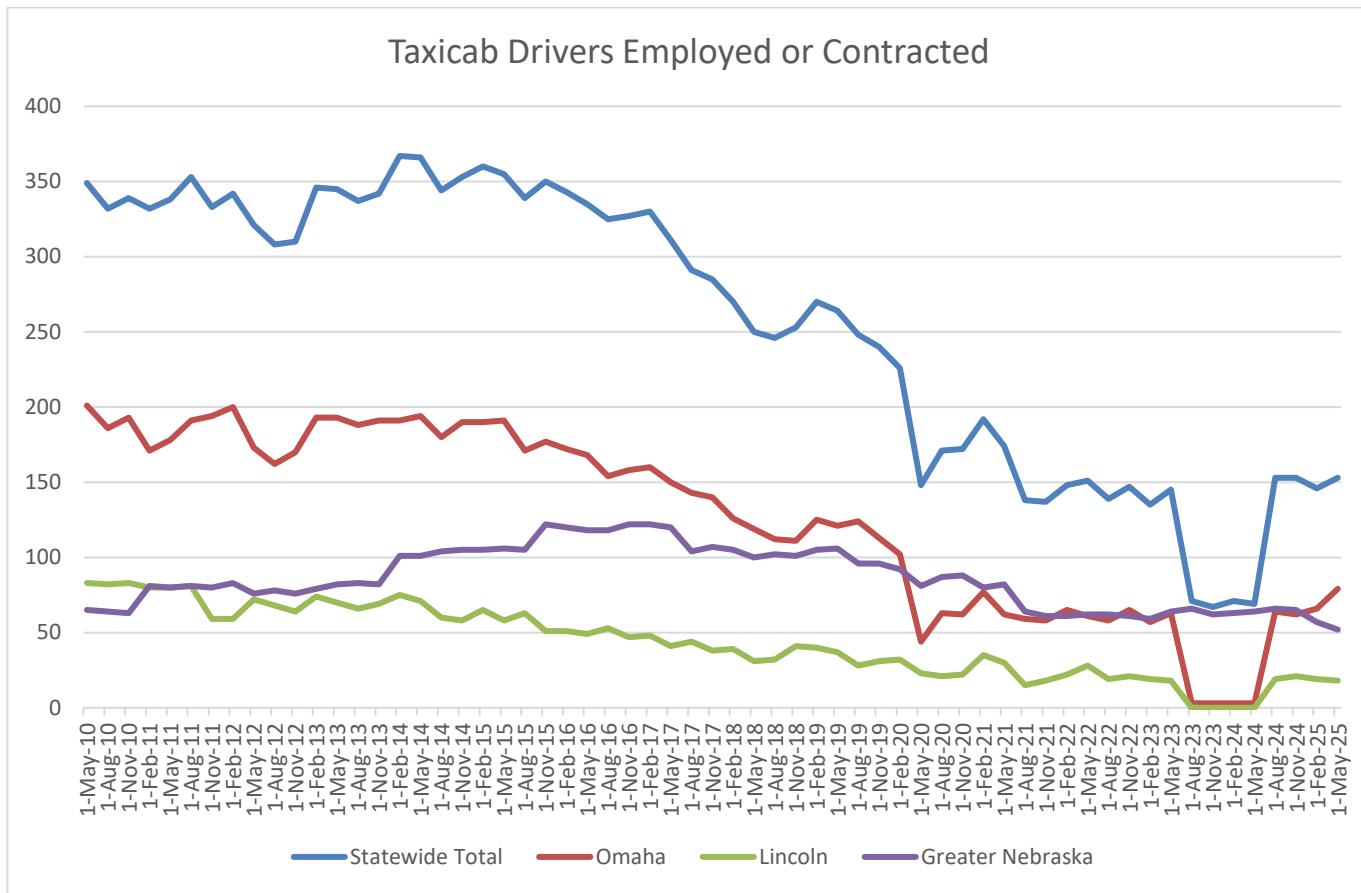
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Taxi cab Drivers Employed or Contracted



Driver counts during the reporting period ranged from 146 to 153 per quarter, reflecting the same steady pattern observed in vehicle totals. The stability seen here aligns with the broader post-2021 plateau and contrasts sharply with last year's artificial dip, which resulted from incomplete filings rather than an actual decline in workforce levels. With complete data on this cycle, the long-term trend is clear: the taxi workforce has stabilized, but at materially lower levels than pre-pandemic.

Regional patterns follow the same contours as the vehicle data. Omaha shows minor quarter-to-quarter shifts reflective of operational fine-tuning among a limited carrier pool. Lincoln remains consistent, and Greater Nebraska continues to see small, predictable fluctuations. These trends reinforce the systemic post-pandemic equilibrium: lower volumes, low redundancy, and constrained capacity.

Workforce levels are now closely matched to the number of cabs in service. This tight coupling means that any reduction in vehicle availability would immediately translate into diminished driver capacity, giving the system little room to absorb shocks. Concentration among a small number of carriers increases this risk, as changes in staffing or reporting practices by one major operator disproportionately affect statewide totals.

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Persistent dependence on self-reported data continues to pose oversight challenges. Missing or incomplete filings create blind spots, delay identification of workforce changes, and weaken the Commission's ability to anticipate emerging operational pressures. Given the system's fragile equilibrium, reliable reporting has become increasingly critical for maintaining regulatory insight. The current data period confirms a workforce that is steady but operating at the edge of available capacity. Stability exists, but it is built on a shrunken, tightly matched structure that leaves the system exposed to even small disruptions.

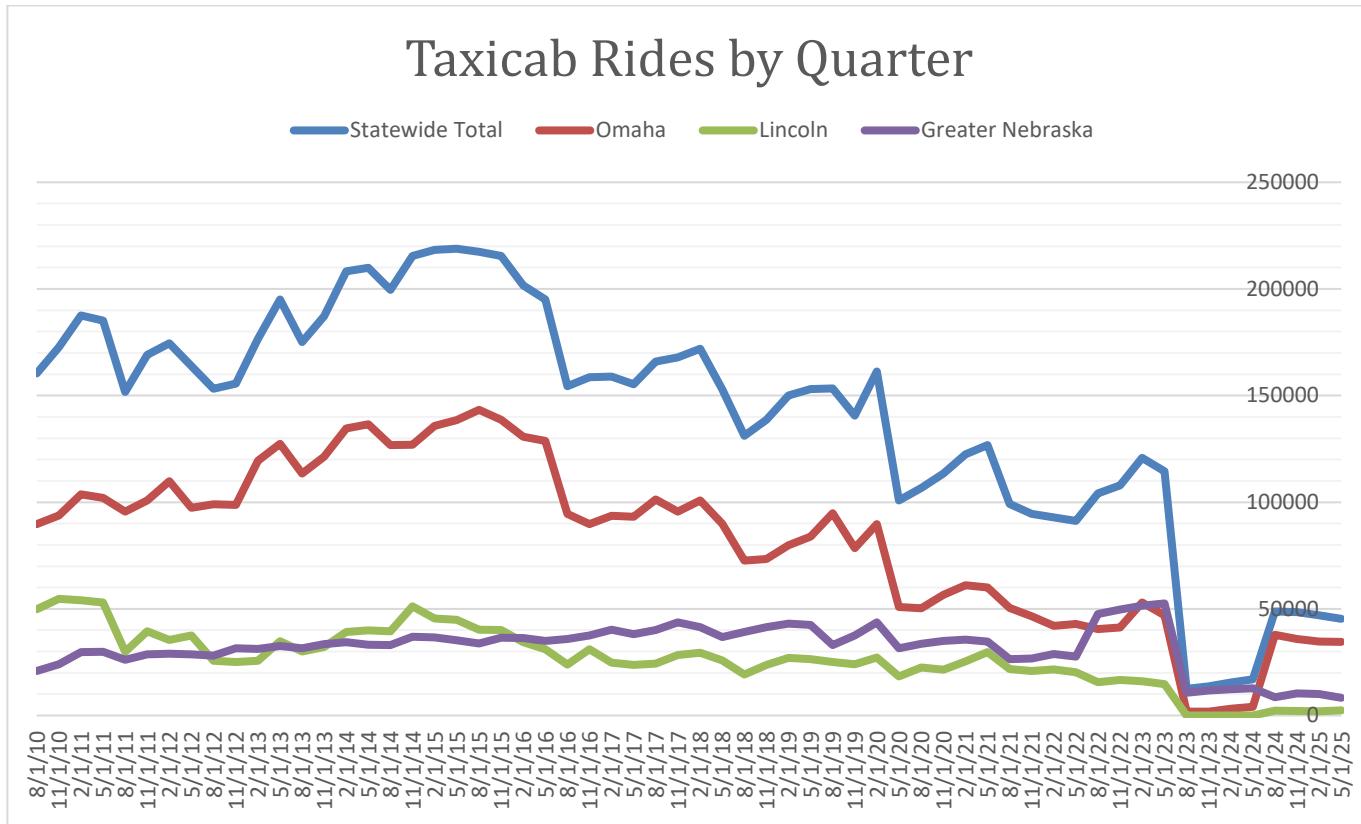
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Taxi cab Rides Given Quarterly

Statewide ride volumes ranged from 45,359 to 47,015 per quarter, a level consistent with the lower post-2020 baseline. These totals are well below the volumes observed a decade ago but demonstrate stabilization following several cycles characterized by volatility and incomplete filings. With full data available, the trend resolves into a clear picture: ride demand has plateaued at a reduced but steady level. Omaha remains the dominant market, showing modest fluctuations that reflect operational adjustments among a limited number of carriers. Lincoln's activity remains minimal, and Greater Nebraska continues to show steady but small totals consistent with its historic patterns. These dynamics parallel trends in both vehicles and drivers: stability within a significantly contracted system.

Ride volumes further illustrate the system's structural constraints. Urban and rural markets alike operate with minimal excess capacity, leaving service availability sensitive to even minor operational shifts. Omaha's small swings in ride totals suggest carriers are operating near their limits, while Greater Nebraska's dependence on a handful of providers leaves it vulnerable to service interruptions if any carrier reduces operations.

The reliance on self-reporting continues to complicate oversight. Missing or delayed filings—especially from high-volume operators—can produce distorted trends and hinder accurate assessment of market performance. The current cycle shows how essential reliable reporting has become for maintaining

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regulatory visibility in a system where small changes can have outsized effects.

Taken together, the ride data shows a market that has stabilized at a lower level but remains structurally fragile. The system's overall health is shaped by a smaller carrier base, tight capacity constraints, and sensitivity to reporting irregularities.

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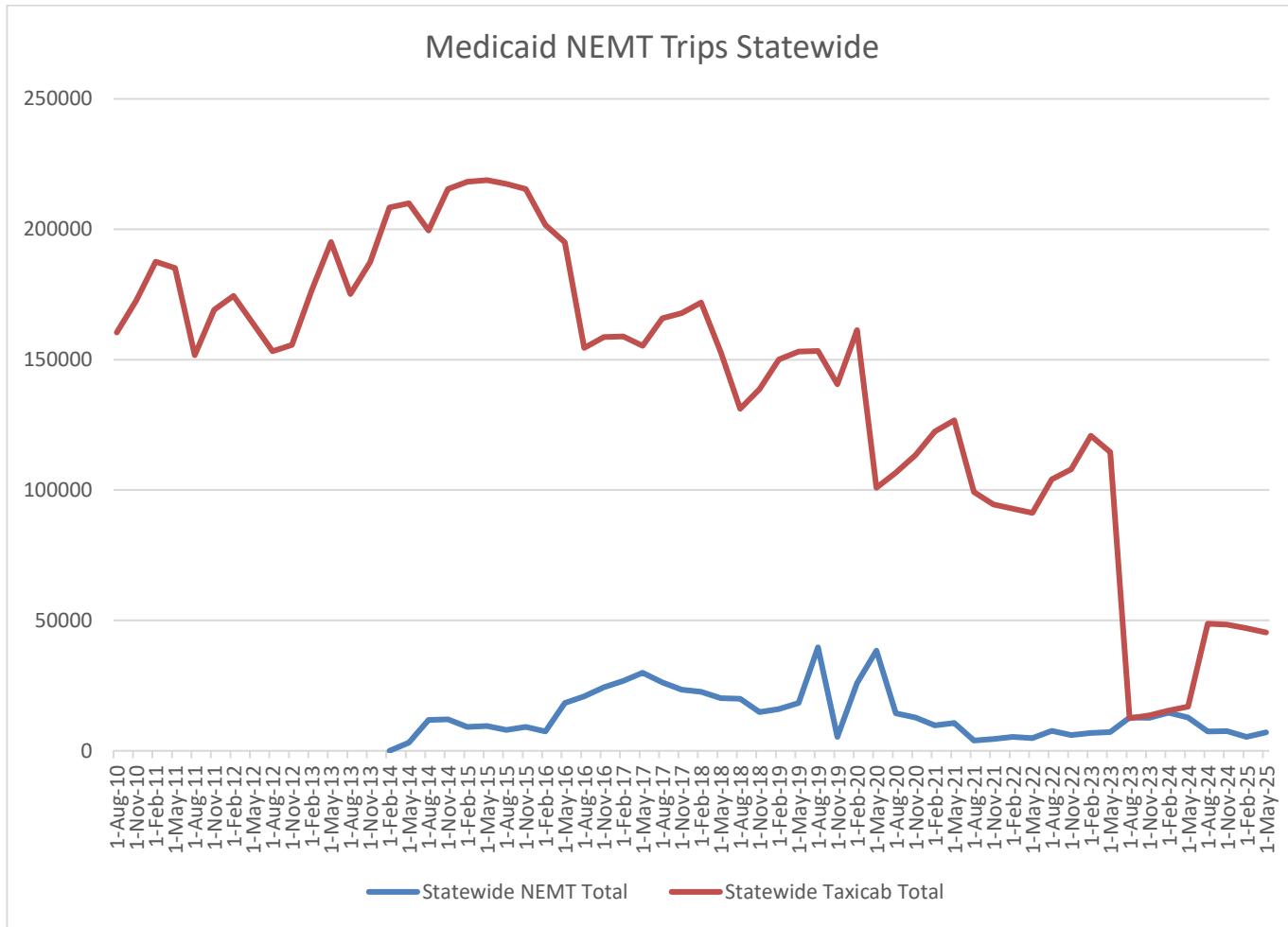
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NDHHS Trips – Statewide by Taxicabs

All but three taxicab carriers provide Medicaid 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 Medicaid NEMT trips performed by taxicab carriers, reported in quarterly increments. The following chart shows the total NDHHS Medicaid NEMT trips completed by taxicabs, as compared to the total rides completed by taxicab carriers.



During the reporting period from June 2024 through May 2025, statewide taxicab activity as a whole remained within a narrow band, with quarterly totals ranging from 45,359 to 48,783 trips. These volumes continue the post-2021 plateau and underscore that the industry has settled into a smaller but stable operating scale. NEMT trips accounted for a minority share of overall activity—between 5,298 and 7,136 per quarter—but provided a predictable baseline for carriers serving NDHHS clients.

Regional patterns follow the same contours outlined in earlier sections: Omaha reflects moderate quarter-to-quarter adjustments, while Lincoln and Greater Nebraska remain steady with only marginal fluctuations.

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The state's carrier base remains concentrated compared to earlier decades, and trip volumes—both NEMT and general ridership—track at levels far below those observed between 2010 and 2016.

Sustained low ridership underscores the fragility of the current system. Reduced demand appears to reflect structural changes in mobility choices, competitive alternatives, and post-pandemic behavior rather than temporary fluctuation. While NEMT work helps stabilize operations, this reliance also concentrates on financial risk. Carriers with limited diversification remain exposed to changes in NDHHS funding structures, contract terms, or service expectations.

These conditions carry policy implications. Continued dependence on self-reported data, limited redundancy among carriers, and the system's overall contracted scale make accurate and timely filings increasingly important for reliable oversight. Policymakers may need to assess whether existing reporting and compliance frameworks adequately account for operational risks—particularly in rural areas and regions dependent on only one or two carriers. Maintaining access to both general and NEMT transportation will require ongoing monitoring and a proactive approach to identifying and addressing emerging market vulnerabilities.

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TNC Impact on Taxicab Industry

Statewide taxicab ridership from June 2024 through May 2025 remained consistent with the long-term downward trajectory observed since 2015. Quarterly volumes continued to contract, declining from 48,783 rides in August 2024 to 45,359 rides by May 2025. This pattern reinforces the structural nature of the shrinkage in the regulated taxicab sector; there is no indication of stabilization or recovery during this period.

During the same timeframe, TNC activity continued its post-pandemic surge. Quarterly TNC totals reached record highs—1.27 million rides in November 2024, 1.17 million rides in February 2025, and more than 1.30 million rides in May 2025. TNCs now account for roughly 96% of all for-hire rides statewide, a market share that has remained remarkably stable for the last three quarters. In effect, TNC volumes have not just recovered—they have fully surpassed pre-COVID historical peaks.

Despite the extreme imbalance in scale, the new data does **not** contradict the conclusions reached in last year's analysis. Taxicab ridership did not decline in proportion to TNC growth, nor did modest quarter-to-quarter fluctuations in the taxicab sector track with substantial increases in TNC activity. The May 2025 data point—where TNCs hit an all-time statewide high while taxicabs posted only a modest decrease—further supports the view that the two sectors continue to operate in largely distinct markets rather than competing for a shared pool of riders.

The pattern remains consistent with earlier findings: the presence or growth of TNCs does not demonstrate a measurable causal impact on taxicab ridership. Instead, taxicab performance appears driven by external variables not captured in the quantitative dataset—factors likely tied to carrier business models, geographic service gaps, NEMT-heavy operational structures, staffing constraints, and localized demand dynamics. Without isolating those variables, the true mechanics behind taxicab ridership trends cannot be conclusively explained through ride counts alone.

In sum, the additional data from August 2024 through May 2025 reinforces, rather than undermines, the long-standing assessment. TNCs continue their upward trajectory, taxicab ridership continues its extended decline, and the relationship between the two remains non-correlative based on all available evidence.

The following chart shows the reported ridership comparing TNC operations and taxicab operations statewide:

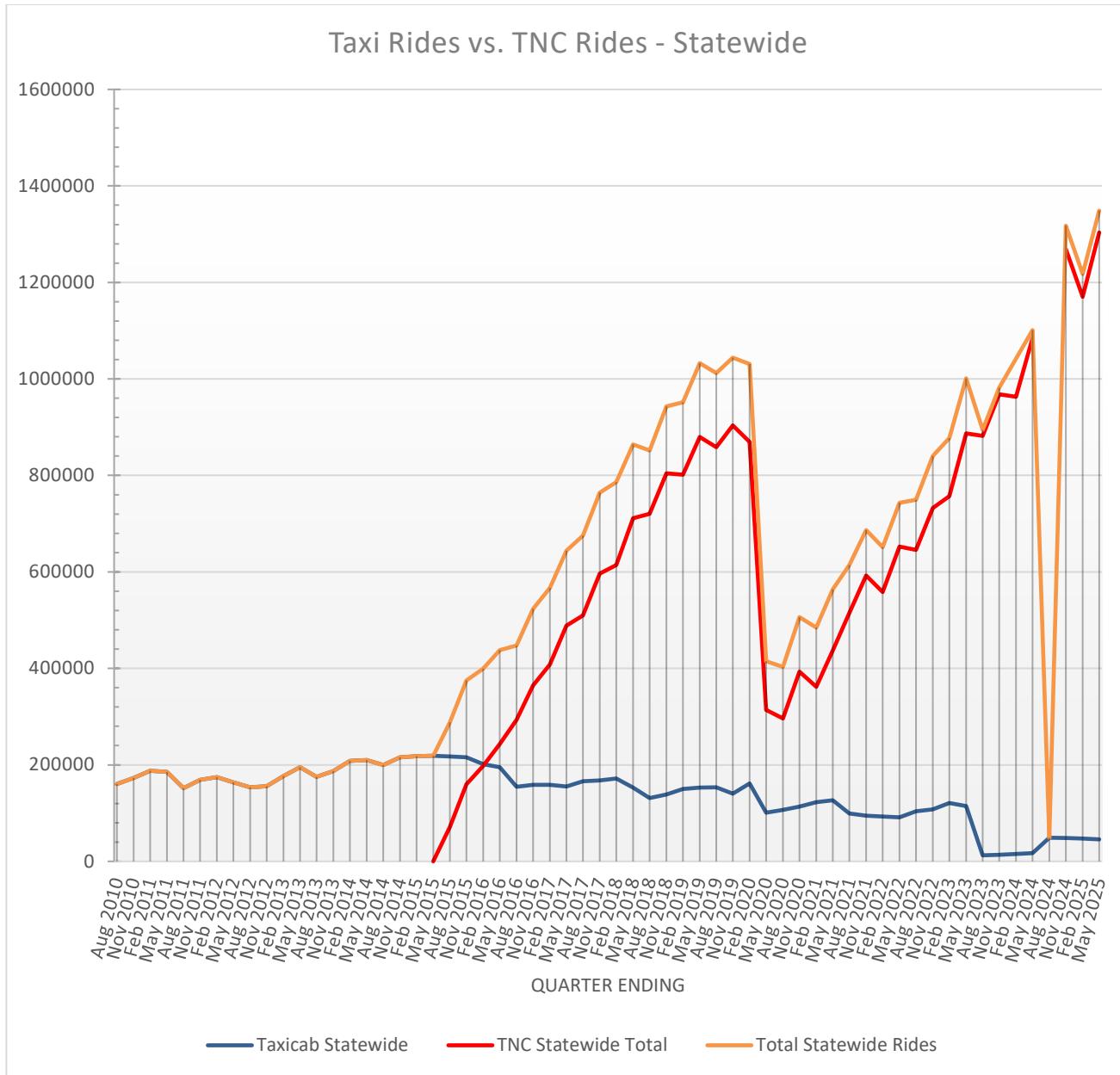
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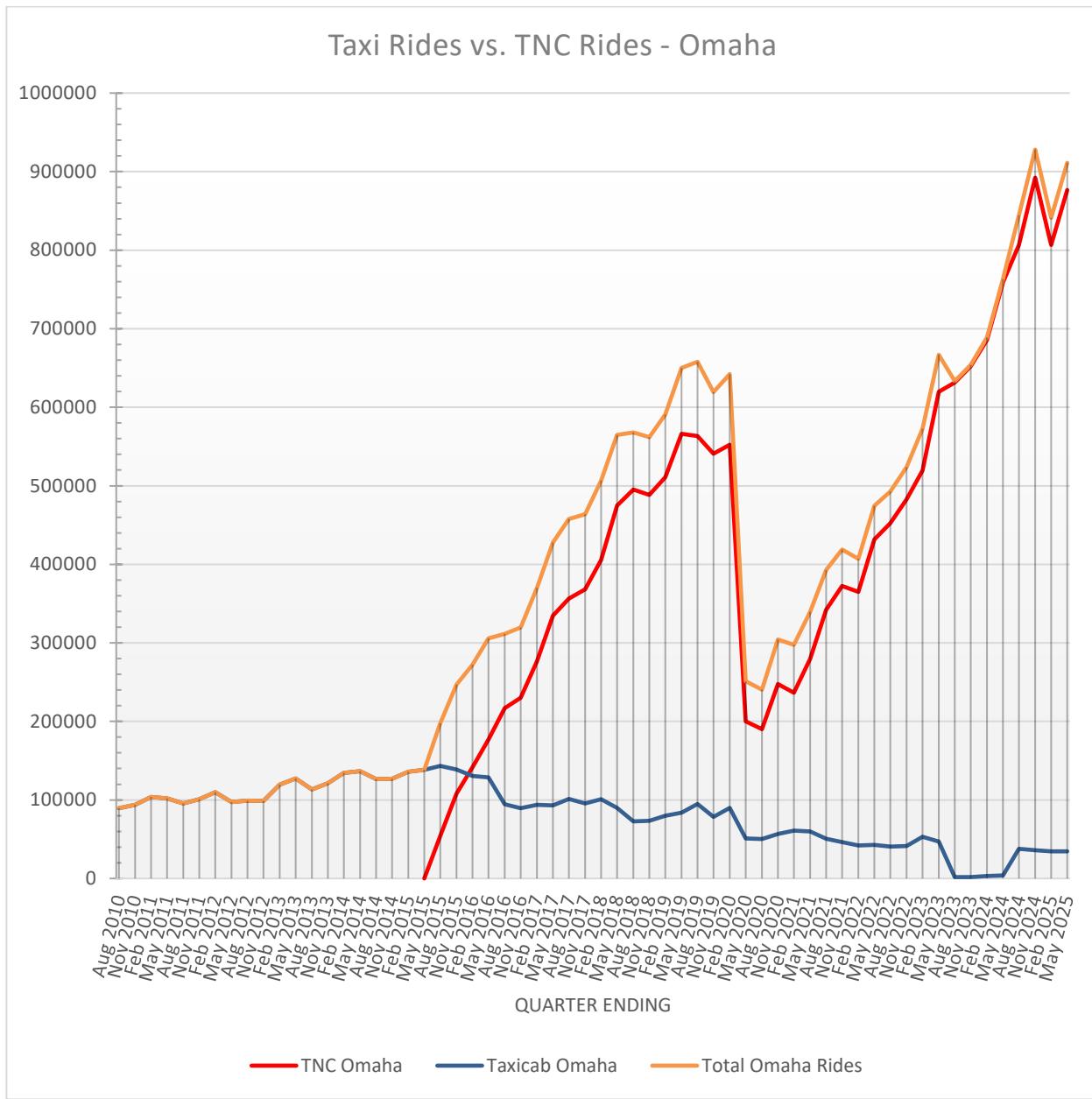
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Omaha



Omaha-specific trip data for the June 2024 through May 2025 period shows the same structural dynamics observed statewide, but in sharper relief. Taxicab ridership remains deeply diminished, while TNC activity continues to dominate the for-hire transportation market with no evidence of reversal or even plateau.

Taxicab trips in Omaha continued to contract during this reporting period. Quarterly volumes slid from 38,843 rides in August 2024 to 34,452 rides by May 2025. These figures represent operating levels far

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below historical norms and confirm that the Omaha taxicab sector has not regained any meaningful ridership share since the mid-2010s decline. The contraction is consistent, steady, and shows no countertrend quarters—an unmistakable indication that the erosion of traditional taxicab demand in Omaha is long-term, not cyclical.

TNC use in Omaha, by contrast, increased substantially throughout the same period. TNCs posted 892,310 rides in November 2024, dipped slightly to 806,583 in February 2025, and rebounded to 876,628 rides by May 2025. As a result, TNC market share remains overwhelming—roughly 96% of all for-hire trips in Omaha for the most recent quarter. Omaha consistently posts higher TNC saturation than the statewide average, which is already above 95%.

The new Omaha data does **not** contradict prior findings that TNCs and taxicabs operate in largely distinct markets. Even with TNCs approaching complete market concentration—regularly exceeding 95% of all rides—taxicab ridership did not collapse in proportion to TNC growth. Omaha's taxicab totals fluctuated only modestly across the reporting period despite massive swings on the TNC side. This resilience at extremely low volumes further supports the conclusion that taxicabs are serving niche or specialized rider segments that TNCs are not capturing, rather than competing directly for the same customers.

As with the statewide data, the Omaha dataset points to external variables that ride counts alone cannot capture: carrier staffing models, NEMT dependency, service-area limitations, fare structures, and the legacy role of cabs in highly specific transport niches. Without isolating these operational and demographic variables, the dataset cannot produce a definitive causal explanation for taxicab performance.

In summary, the Omaha data from August 2024 through May 2025 reinforces the prior assessment. TNC ridership is expanding to unprecedented levels, taxicab use continues its long-term decline, and the relationship between the two remains non-correlative based on all available evidence. The Omaha market exemplifies this more starkly than the statewide picture, but the underlying conclusion is the same: growth in TNC activity does not meaningfully explain the decline in taxicab ridership, and the two modes continue to occupy separate and highly unequal market segments.

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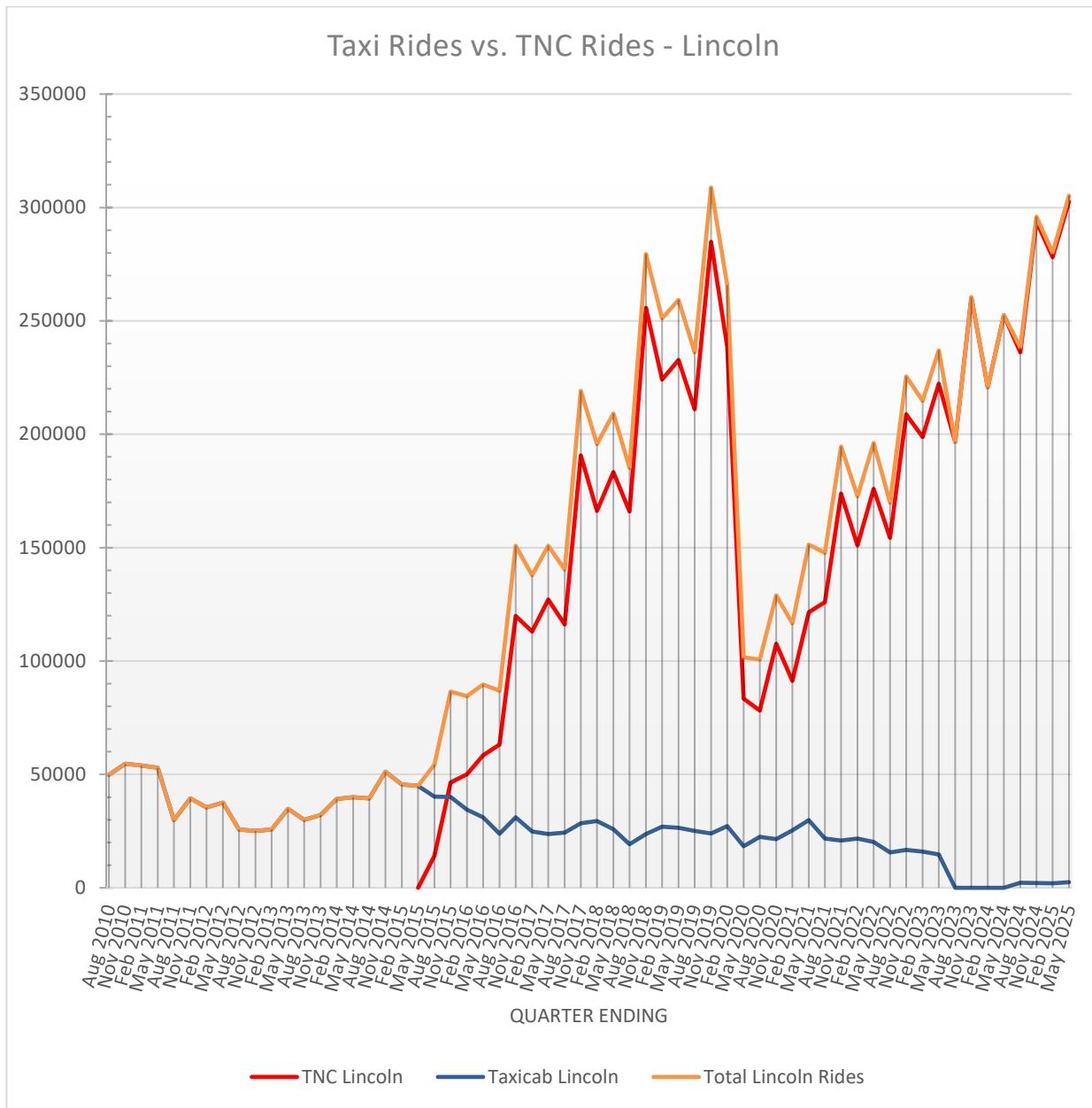
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Lincoln



Lincoln's for-hire transportation market continues to follow the same overarching pattern observed statewide, though the shift toward TNC dominance has progressed even further. Taxicab ridership, already operating at relatively low volumes compared to Omaha, contracted again during the June 2024 through May 2025 reporting period. Quarterly taxicab counts dropped from 21,727 in August 2024 to 15,568 by May 2025, reflecting a persistent and ongoing decline that shows no signs of reversal. Lincoln carriers now operate at ridership levels that are a fraction of their pre-2015 volumes, and the downward trend remains

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steady.

TNC activity, meanwhile, continued its post-pandemic acceleration. Lincoln posted 173,778 TNC trips in November 2024, decreased to 150,990 in February 2025, and climbed to 175,879 rides by May 2025. Market share remained overwhelmingly tilted toward TNCs—roughly 90% or higher for each quarter when taxicab data was available. Lincoln has now reached the point where TNCs capture virtually the entire for-hire market, and the most recent quarters again show TNC percentages exceeding 90%. The few quarters where taxi counts dropped to zero only reinforce the scale of TNC dominance, not because TNCs displaced taxicabs, but because the taxicab segment itself no longer maintains sufficient capacity to consistently report activity.

The Lincoln data does **not** undermine last year's conclusion that TNC and taxicab ridership do not move in a 1:1 or directly proportional relationship. Even with TNC volumes surging to historic highs, the decline in taxicab ridership did not accelerate in lockstep. The continued, gradual erosion of taxicab use in Lincoln aligns with the long-term structural decline documented over the past decade, rather than responding directly to quarter-to-quarter TNC fluctuations. Conversely, TNC ridership shows considerable seasonal movement without corresponding changes in the already diminished taxicab totals.

As with Omaha and the statewide dataset, this points to underlying non-quantified variables driving taxicab performance in Lincoln—service area strategies, carrier staffing limitations, NEMT dependency, limited hours of operation, and entrenched market specialization. Without isolating these operational and demographic factors, the dataset cannot produce a definitive causal link between TNC growth and taxicab decline.

In summary, the Lincoln data from August 2024 through May 2025 reinforces all prior conclusions. TNC ridership continues its rapid ascent, taxicab ridership continues its long-term fall, and the relationship between these trends remains non-correlative based on current evidence. Lincoln now represents the most extreme version of this split: TNCs have captured nearly the entire market, and taxicabs function only within narrow operational niches that TNCs do not occupy.

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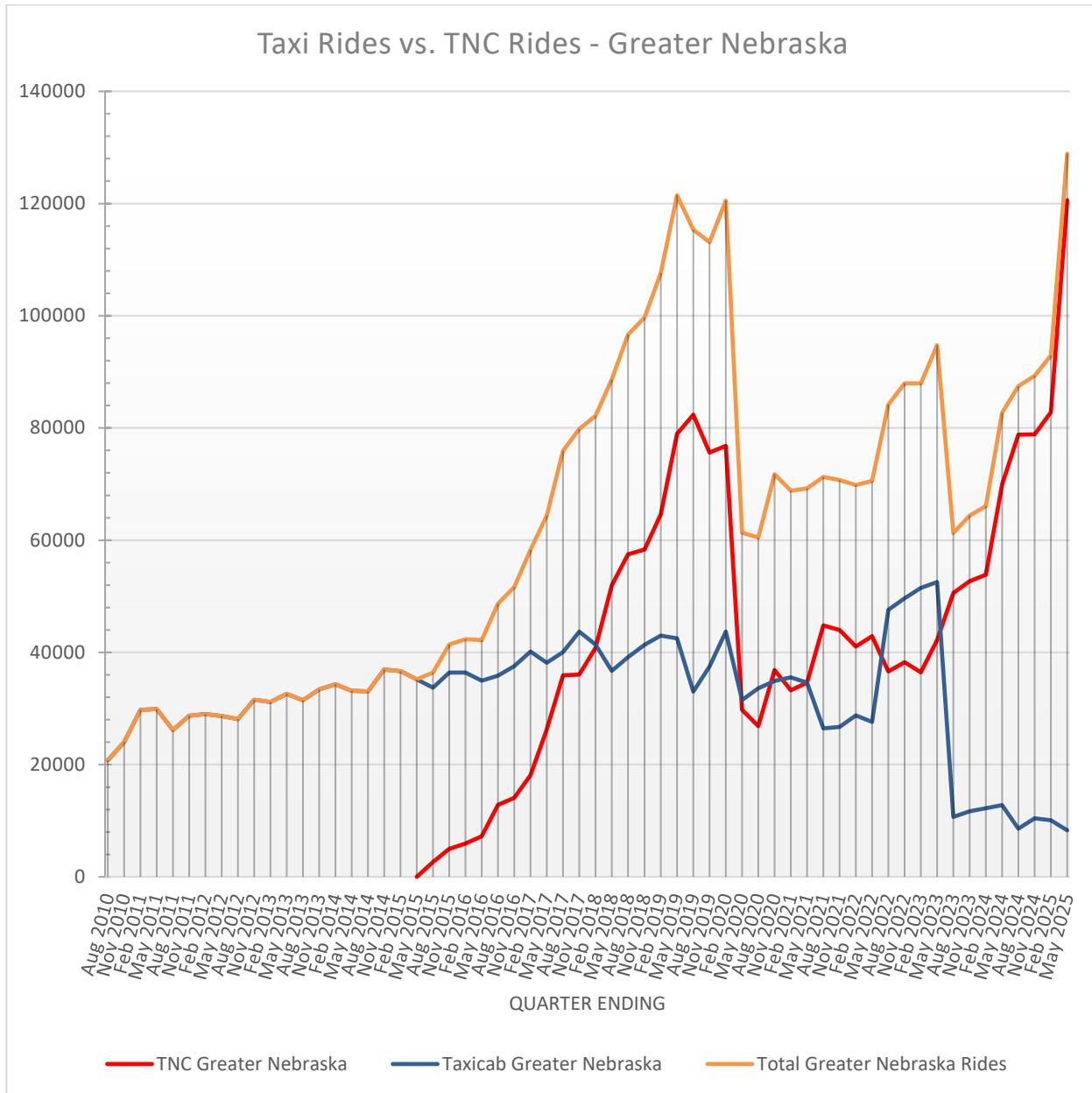
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Greater Nebraska



Greater Nebraska continues to follow the same long-term trajectory observed in Omaha, Lincoln, and statewide data, but with more variability tied to the size and composition of the rural and micropolitan market. Taxicab ridership, historically small but relatively stable through the mid-2010s, has eroded further in this reporting period. Quarterly volumes fell from 26,470 rides in August 2024 to 12,796 rides in February 2025, before ending at 8,299 rides in May 2025. These are the lowest taxicab totals reported in Greater Nebraska since the Commission began segregating trip data by region. The pattern is unmistakable:

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traditional taxicab service in Greater Nebraska continues to contract and is losing operational capacity at a faster pace than in the urban markets.

TNC activity—though starting from a smaller base—continues to expand across the region. TNC rides increased from 44,824 in August 2024 to 78,835 in November 2024, dipped slightly in February 2025, and surged to 120,590 rides by May 2025. TNCs now hold more than 93% of the regional for-hire market, a level of saturation that places Greater Nebraska ahead of both Omaha and Lincoln in relative TNC dominance.

As with the other markets, the new data does **not** undermine the prior conclusion that TNC growth and taxicab decline do not move in a 1:1 or directly proportional relationship. Even in quarters where TNC ridership increased substantially, taxicab ridership did not fall in direct correlation. Instead, the decline in Greater Nebraska taxicab activity appears tied to operational fragility—carrier exits, limited staffing, service contraction, and a shift toward NEMT-only business models—rather than rider substitution from cabs to TNCs.

Several quarters during this period also show disproportionate movement between the two modes: TNC ridership surged in May 2025, yet taxicab numbers were already depressed and did not collapse further in response. Likewise, earlier quarters show declining taxi volumes even when TNC totals were flat or down. This decoupling reinforces the reality that Greater Nebraska's taxicab market is not losing riders to TNCs on a one-for-one basis; it is losing structural capacity independent of TNC behavior.

The underlying dynamics here are even more influenced by external variables than in the metro areas. Carrier geography, limited hours of operation, the absence of large fleets, the dominance of NEMT contracts, and municipal-level market constraints built into rural transportation all shape the operational picture in ways the raw ride counts cannot capture.

In sum, the data from August 2024 through May 2025—despite showing continued TNC expansion and unprecedented market share—reinforces rather than contradicts last year's assessment. TNCs and taxicabs do not show a correlative ridership relationship in Greater Nebraska. TNCs continue to grow, taxicabs continue to contract, and the factors driving each trend arise from different operational and market forces rather than direct competition for the same ridership pool.

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Recommendations for future legislation sessions:

1. Strengthen Insurance Continuity and Coverage Clarity

Insurance remains a persistent risk point. Nebraska law allows TNC insurance obligations to be satisfied by the driver, the platform, or a combination of the two. In practice, coverage layering remains opaque and inconsistent. The Legislature should evaluate whether current language adequately prevents gaps during Phase 1 (app-on/waiting for a match) and mixed-use situations common in rural markets. Minimum coverage expectations, proof-of-endorsement requirements, and audit authority should be clarified to reduce institutional ambiguity and protect the public.

2. Define Parameters for Dynamic Pricing During Emergencies

Statutory restrictions on dynamic pricing during a declared state of emergency remain unresolved. There is still no guidance on duration, geographic scope, reinstatement, or uniformity when multiple overlapping emergency orders are issued. This ambiguity creates compliance risk for TNCs and undermines rate transparency for riders. Legislative clarity—either through automatic sunset rules, geographic limitations, or a structured waiver mechanism—would restore predictability.

3. Modernize Oversight to Reflect TNC Dominance in Greater Nebraska

The current regulatory structure was built around an assumption of taxicab predominance. That is no longer accurate. Greater Nebraska has shifted from near-zero TNC usage to sustained majority reliance, with several quarters exceeding 80–90%. Statute should be updated to reflect that TNCs, not taxicabs, are now the primary provider of point-to-point transportation outside Omaha/Lincoln. A modernized framework should consider:

- service obligations or minimum coverage expectations in markets where taxicabs have collapsed;
- tailored rural reporting requirements (e.g., response times, service coverage);
- clarified Commission authority to address persistent geographic service gaps.

4. Evaluate Whether the Taxicab Regulatory Model Remains Fit-for-Purpose

Statewide taxicab ridership remains at historic lows. The market has stabilized at a fraction of pre-pandemic levels and is materially dependent on Medicaid NEMT revenue. This is not a temporary downturn; it's a structural shift. The Legislature may need to reassess whether the existing certificate-based model is still the right tool, or whether a tiered or license-based model—particularly for carriers whose operations are overwhelmingly NEMT—would reduce administrative overhead and better reflect actual business practices.

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5. Address Structural Dependence on Medicaid NEMT within the For-Hire Market

The taxicab industry's statewide trip volume is now heavily anchored to NEMT reimbursement flows. For many carriers, NEMT constitutes a majority of all trips. The Legislature should consider a statutory structure that recognizes this dependency and aligns PSC oversight with NDHHS expectations, including:

- shared data standards;
- reciprocal compliance notifications;
- coordinated enforcement for fraud, safety, or chronic service failures.

This would strengthen accountability and ensure that the State's regulatory posture reflects where carriers now generate most of their revenue.

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

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