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EDITORIALS

PRC Reform Designed To Rev Up Competition

There is the one piece of legislation proposed this session that will jump-start new businesses by ensuring more New Mexicans can get a ride without being taken for one.

It's HB 194, drafted by Think New Mexico and sponsored by Rep. Tom Taylor, R-Farmington, and Carl Trujillo, D-Santa Fe. It would finally open up the taxi, limo, shuttle, moving and towing industries to real competition and opportunity by no longer requiring someone who wants to start up a motor carrier business to essentially get permission from existing companies via a certificate of need from the Public Regulation Commission.

It would also end the practice of exempting those companies from anti-trust laws and giving them the state's blessing to conspire and set rates, making shopping around for a better price moot and buyer beware the standard operating procedure.

Why try harder when having no competition means you don't have to try at all?

The existing law is a holdover from regulation designed to protect the railroads from an emerging trucking industry and new trucking companies from competition during the Great Depression. It may have made sense then, but now it inhibits entrepreneurship and stifles competition by encouraging and protecting monopolies.

Consider the cases of Green Taxi and Taxi Bob.

Green Taxi tried to start up in Santa Fe in 2008. Santa Fe's sole taxi operator, Capital City Cab, filed 200 pages of objections — complete with affidavits — with the PRC. Green Taxi owner Rached Merheb decided the cost of pursuing his application was too high and withdrew it. To date the City Different, one of the nation's premier tourist destinations, still has just one taxi company with 18 cabs to serve all those visitors as well as locals, according to the think tank.

Robert Torch, better known as Taxi Bob, spent eight years trying to get a license from the PRC for his one-man and two-car Giant Cab Co. He finally got a temporary license late last year. If he ever gets a permanent one, the New York transplant says he'll hire another driver for his Albuquerque company.

This is how New Mexico is building its economy? By embracing decades-old protectionist regulations that determine not just private-sector winners and losers but who can even play?

The state, its entrepreneurs and its consumers would be much better served if the free market determined how many motor carrier companies each community needs, and consumers were allowed to pick the winners and losers with their wallets. The House, Senate and governor should give HB 194 a green light.