BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN RE:

APPLICATION OF **A-2014-2415047**

LYFT, INC.

AMENDED PROTEST OF AF TAXI, INC.

The above Protestant, by and through its attorney, Michael S. Henry, Esquire, hereby objects to the approval of the above application for the following reasons:

I. PARTIES

1. Applicant, Lyft, Inc. ("Lyft"), is a privately held California-based transportation network company[1] whose mobile-phone application facilitates on-demand ridesharing by enabling passengers who need transportation to demand immediate service from private non-professional drivers who charge a fee for their service.

[1] A transportation network company ("TNC") is defined by the California Public Utilities Commission as "a company that uses an online-enabled platform to connect passengers with drivers using their personal, non-commercial, vehicles." Decision Adopting Rules and Regulations to Protect Public Safety While Allowing New Entrants to the Transportation Industry, California Public Utilities Commission, Rulemaking 12-12-11 (Filed December 20, 2012) (copy attached).

2. Protestant, AF Taxi, Inc., is a Pennsylvania corporation and a public utility that holds Certificate of Public Convenience No. 1000568-01, issued by the Philadelphia Parking Authority ("PPA" or "Authority"), granting the following authority:

> To transport, upon call or demand, persons and their baggage; and parcels, packages, and property, at the same basic PPA TLD approved metered rates; between points in the city and county of Philadelphia to points in Pennsylvania; and from points in Pennsylvania to points in the city and county of Philadelphia, if the request for services for such transportation is received by call to its PPA Certified Dispatch Association, limited to one (1) vehicle per medallion.

Protestant's address and business telephone are as follows:

2301 Church Street
Philadelphia, Pennsylvania 19124
(215) 831-0666

II. THE APPLICATION

3. The Application states that the Applicant is seeking "the right to begin to transport, as a common carrier, by motor vehicle, persons in ... experimental service [by means of a] Transportation Network Company for passenger trips between points in Pennsylvania."

4. But, the proposed service, as described in the application, is, in fact, the commercial use of a mobile software application to broker ridesharing arrangements between prospective passengers and private individuals, without certificates of public convenience, who will use their

own vehicles to provide call or demand service or limousine service between points in Pennsylvania.

III. STANDING

5. In order to have standing to protest a motor carrier application, a protestant must have some operating authority in actual, or potential, conflict, with the authority sought by an applicant.

6. In the present case, Protestant has standing to protest the application, notwithstanding the Applicant's characterization of the proposed service as "experimental", because the proposed service will facilitate the provision of illegal call or demand service in Philadelphia by private individuals without certificates of public convenience and such service is in actual, or potential, conflict with Protestant's call or demand authority in Philadelphia.

7. At the very least, Protestant has standing to challenge the Applicant's claim that the proposed service is, in fact, motor carrier service, rather than a brokerage service, and to present evidence that the proposed service will facilitate the provision of transportation that is in actual, or potential, conflict with Protestant's service.

IV. OBJECTIONS TO THE APPLICATION

A. APPLICANT'S REQUEST FOR AUTHORIZATION TO PROVIDE SERVICE AS A MOTOR CARRIER

SHOULD BE DENIED BECAUSE IT WILL ACT ONLY AS A BROKER AND WILL NOT PROVIDE ANY TRANSPORTATION SERVICE ITSELF

8. The Public Utility Code defines the term "common carrier" as follows:

> Any and all persons or corporations holding out, offering, or undertaking, directly or indirectly, service for compensation to the public for the transportation of passengers or property, or both, or any class of passengers or property, between points within this Commonwealth by, through, over, above, or under land, water, or air, and shall include forwarders, ***but shall not include*** contract carriers by motor vehicles, or ***brokers***, or any bona fide cooperative association transporting property exclusively for the members of such association on a nonprofit basis.

66 Pa. C.S. §102 (emphasis added).

9. The Public Utility Code defines the term "motor carrier" as "[a] common carrier by motor vehicle, and a contract carrier by motor vehicle." 66 Pa. C.S. §102.

10. The Public Utility Code defines the term "broker" as follows:

> Any person or corporation not included in the term "motor carrier" and not a bona fide employee or agent of any such carrier, or group of such carriers, who or which, as principal or agent, sells or offers for sale any transportation by a motor carrier, or the furnishing, providing, or procuring of facilities therefor, or negotiates for, or holds out by solicitation, advertisement, or otherwise, as one who sells, provides, furnishes, contracts, or arranges for such transportation, or the furnishing, providing, or procuring of facilities therefor, other than as a motor carrier directly or jointly, or by arrangement

> with another motor carrier, and who does not assume custody as a carrier.
>
> 66 Pa. C.S. §2501

11. In its application, the Applicant indicates that it will use its mobile software application to facilitate ridesharing arrangements between prospective passengers and private individuals using their own vehicles, who will provide the actual transportation service; the Applicant does not propose to provide transportation service itself.

12. Based on the foregoing, Applicant proposes to function as a "broker" within the meaning of 66 Pa. C.S. §2502 and not as a "motor carrier" within the meaning of 66 Pa. C.S. §102.[2]

13. Accordingly, the application should be denied because the Commission may not authorize a person or corporation to provide motor carrier service where the person or corporation only proposes to procure such service on behalf of third parties, but does not propose to provide such service itself, either directly or indirectly.

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[2] It should be noted that the Commission's regulations prohibit a broker to "employ or engage a carrier who or which is unable to lawfully provide the transportation under his contracts, agreements, or arrangements therefor." 52 Pa. Code §39.5 (pertaining to carrier's operating authority). In other words, a broker cannot procure transportation services from a motor carrier that does not have a certificate of public convenience authorizing the type of transportation that is being requested.

B. THE APPLICATION SHOULD BE DENIED BECAUSE THE PROPOSED SERVICE DOES NOT DIFFER, IN ANY MEANINGFUL WAY, FROM OTHER MOTOR CARRIER SERVICES AND THEREFORE DOES NOT QUALIFY AS "EXPERIMENTAL SERVICE" WITHIN THE COMMISSION'S SCHEME OF CLASSIFICATION FOR SERVICE PROVIDED BY COMMON CARRIERS OF PASSENGERS

14. Commission has adopted a scheme of classification for service provided by common carriers of passengers, including "experimental service", under 52 Pa. Code §29.13, which states:

> The following standard classification of types of service furnished by common carriers of passengers is adopted, and the following is hereby recognized as a standard class of common carrier service. The rights and conditions pertaining to a standard class of service are specified in Subchapter D (relating to supplemental regulations). A certificated service which does not completely correspond to a standard class may be governed, where practicable, by the regulations for the standard class to which it most nearly corresponds:
>
> (1) *Scheduled route service.* Common carrier service for passengers, rendered on either an exclusive or a nonexclusive basis, wherein the vehicles delivering the service operate according to schedules along designated routes.
>
> (2) *Call or demand service.* Local common carrier service for passengers, rendered on either an exclusive or a nonexclusive basis, where the service is characterized by the fact that passengers normally hire the vehicle and its driver either by telephone call or by hail, or both.
>
> (3) *Group and party service.* Common carrier service for passengers, rendered on an exclusive basis as charter service for groups or rendered on a

nonexclusive basis for tour or sightseeing service and special excursion service.

(4) *Limousine service.* Local, nonscheduled common carrier service for passengers rendered in luxury-type vehicles on an exclusive basis which is arranged for in advance.

(5) *Airport transfer service.* Common carrier service for passengers rendered on a nonexclusive basis which originates or terminates at an airport.

(6) *Other services: paratransit, experimental.* Common carrier service for passengers which differs from service as described in any one of the five classes set forth in paragraphs (1)—(5) and is provided in a manner described in the certificate of public convenience of the carrier and is subject to restrictions and regulations are stated in the certificate of the carrier or in this chapter.

15. In order to advance and promote the public necessity, safety and convenience, the Commission may, upon application, grant a new certificate or an amendment to an existing certificate in order to allow to be provided a new, innovative or experimental type or class of common carrier service. 52 Pa. Code §29.352.

16. Notwithstanding the fact that the application actually requests authorization to act as a "broker", so that the Applicant may facilitate ridesharing arrangements between prospective passengers and private individuals using their own vehicles, the actual service that will be provided by these individuals is not "experimental" within the meaning of 52 Pa.

Code §29.13 because it does not differ, in any significant way, from "call or demand service" or "limousine service", as defined thereunder.

17. As noted above, "experimental service" is defined negatively, as a service that *differs* from "scheduled route service", "call or demand service", "group and party service", "limousine service" and "airport transfer service."

18. But nothing in the application distinguishes the proposed service, in any meaningful way, from the other motor carriers services defined under the Commission's scheme of classification for such services.

19. In the present case, the Applicant describes the proposed transportation as "prearranged" (i.e. advance reservation) service, which does not distinguish it, in any meaningful way, from "limousine service"

20. But the Applicant also states that its software enables "individuals seeking transportation with individuals willing to provide such transportation in real time … to quickly and efficiently communicate with [them]", which does not distinguish it, in any meaningful way, from "call or demand" service.

21. Based on the foregoing, the application should be denied because the proposed service does not differ, in any meaningful way, from

other motor carrier services and, therefore, does not fall within the definition of “experimental service” under 52 Pa. Code §29.13.

C. THE APPLICATION SHOULD BE DENIED BECAUSE IT PROPOSES TO FACILITATE COMMERCIAL TRANSPORTATION SERVICES UNDER TO RIDESHARING ARRANGEMENTS WITHOUT CERTIFICATED SERVICE PROVIDERS

22. The Ridesharing Arrangement Act, 55 P.S. §§ 695.1 through 695.9, defines the term “ridesharing arrangement” as follows:

> As used in this act, "RIDESHARING ARRANGEMENT" shall mean any one of the following forms of transportation:
>
> (1) The transportation of not more than 15 passengers where such transportation is incidental to another purpose of the driver ***who is not engaged in transportation as a business.*** The term shall include ridesharing arrangements commonly known as carpools and vanpools, used in the transportation of employees to or from their place of employment.
> (2) The transportation of employees to or from their place of employment in a motor vehicle owned or operated by their employer.
> (3) The transportation of persons in a vehicle designed to hold no more than 15 people and owned or operated by a public agency or nonprofit organization for that agency's clientele or for a program sponsored by the agency.

23. Individuals or entities that provide transportation services under a ridesharing arrangement are not subject to motor carrier laws and are not considered commercial vehicles. 66 P.S. §695.2 and §695.99.

24. But a transportation provider that receives compensation for its services is no longer doing so pursuant to a "ridesharing arrangement" and must first obtain a certificate of public convenience prior to beginning service. 66 Pa. C.S.. §1101 and 53 Pa. C.S. §§ 5714 and 5741.

25. Accordingly, the application should be denied because it is illegal to facilitate commercial transportation services pursuant to ridesharing arrangements that will be provided by individuals or entities that do not possess certificates of public convenience.

D. THE APPLICATION SHOULD BE DENIED BECAUSE APPLICANT CANNOT SUSTAIN ITS BURDEN THAT IT WILL BE ABLE TO OBTAIN INSURANCE COVERAGE THAT COMPLIES WITH THE COMMISSION'S REGULATIONS

26. The Commission is empowered to require motor carriers to obtain insurance it deems necessary for the protection of persons or property of their patrons and the public. 66 Pa. C.S. §512.

27. The application proposes to facilitate commercial transportation services pursuant to ridesharing arrangements, where the service providers will be non-professional drivers using their own vehicles.

28. All individual insurance policies for private automobiles contain "livery clauses" that exclude coverage for accidents or injuries that occur while the vehicle is being used for commercial purposes.

29. The application also proposes that the Applicant will obtain excess insurance to cover liability arising from the operation of the service providers vehicles.

30. But Applicant cannot procure insurance that covers the operation of vehicles owned by private individuals and in which it has no insurable interest.

31. Accordingly, the application should be denied because the Applicant cannot sustain its burden of providing that it can obtain insurance coverage that complies with the Commission's regulations.

V. GENERAL AVERMENTS

32. In addition to the foregoing, Protestant objects to approval of the application because the Applicant cannot sustain its burden of proof pursuant to 52 Pa. Code §41.14 as to need and fitness.

33. Protestant also avers that approval of the application will endanger or impair Protestant's operations to the extent that, on balance, the granting of the application would be contrary to the public interest.

34. Protests to this Application are due on or before May 5, 2013; therefore, this protest is timely and Protestant is entitled to participate in this proceeding as a party intervenor pursuant to 52 PA. Code 3.381.

35. Pursuant to 333(c) of the Pennsylvania Public Utility Code, 66 Pa. C.S. §333(c), demand is made upon Applicant to furnish Protestant's counsel with a list of the names and addresses of witnesses he intends to call and a brief summary of the proposed testimony; in particular, complaints, if any, against the services of the Protestant.

36. Additionally, demand is made upon Application to furnish Protestant's counsel with proof of need for service and financial responsibility.

37. Protestant is not aware of any agreement that will cause it to withdraw its protest.

WHEREFORE, Protestant, respectfully requests this Honorable Commission to deny the Application.

Respectfully submitted,

Michael S. Henry

Michael S. Henry
Attorney for Protestant
2336 S. Broad Street
Philadelphia, PA 19145
(215) 218-9800
mshenry@mshenrylaw.com

CERTIFICATE OF SERVICE

I, Michael S. Henry, hereby certify that I served a copy of the foregoing Protest on the following in accordance with the regulations of the Commission or in a manner agreed upon by the recipient in advance:

Lloyd Persun, Esquire
Persun & Heim P.C.
MTR Trans & Billtown Cab
P.O. Box 659
Mechanicsburg, PA 17055-0659
pagelbaugh@persunheim.com

James. P. Dougherty, Esquire
Adeolu A Bakare, Esquire
Barbara A. Darkes, Esquire
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
abakare@mwn.com

David W. Donely, Esquire
JB Taxi LLC t/a County Taxi Cab
3361 Stafford Street
Pittsburgh, PA 15204
dwdonley@chasdonley.com

Ernest J. Delbo
Shamokin Yellow Cab, Inc.
212 W. Independence Street
Shamokin, PA 17872

Carl Hovenstine
Paul's Cab Service
735 Market Street
Sunbury, PA 17801

Dennis Weldon, Esquire
Philadelphia Parking Authority
701 Market Street, Suite 5400
Philadelphia, PA 19106
dweldon@philapark.org

Paul S. Guarnieri, Esquire
Ray Middleman, Esquire
Malone Middleman, PC
Pennsylvania Ass'n for Justice
Wexford Prof. Building III
11676 Perry Highway, Ste 3100
Wexford, PA 15090
guarnieri@mlmpclaw.com

Honorable Harry A. Readshaw
Pa. House of Representatives
1917 Brownsville Road
Pittsburgh, PA 15210

Samuel R. Marshall
CEO and President
Insurance Federation of PA
1600 Market Street, Ste 1720
Philadelphia, PA 19103
sammy1@ifpenn.org

Michael S. Henry

Michael S. Henry

Attorney for Protestant
2336 South Broad Street
Philadelphia, PA 19145
215-218-9800
mshenry@ix.netcom.com

Date: June 5, 2014

Amended Date: July 7, 2014

VERIFICATION

MICHAEL S. HENRY, ESQUIRE verifies that he is acquainted with the facts and information set forth in the foregoing pleadings are true and correct to his knowledge, information and belief; and that the foregoing Verification is made subject to the penalties of 18 Pa. C.S. Section 4904 relating to unsworn falsification to authorities.

Michael S. Henry

Michael S. Henry

Dated: June 5, 2014

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

December 8, 2003

A-00120281
P-1063

AF TAXI INC
810 PULINSKI ROAD
IVYLAND PA 18974

Re: Application of AF Taxi, Inc. for authorization to purchase Medallion(s) P-1063 held by Lovada Enterprises, Inc. at A-00107416, and for issuance of a certificate of public convenience.

TO WHOM IT MAY CONCERN:

The application and record in this proceeding has been reviewed and is in order. The sale of the Medallion and issuance of the Certificate of Public Convenience to operate Philadelphia Taxicab Medallions(s) P-1063 are consistent with the public interest: **THEREFORE,**

YOU ARE ADVISED: The sale of Medallion No. P-1063 be and is hereby authorized.

YOU ARE FURTHER ADVISED: That upon compliance with the terms and conditions of this letter, a certificate of public convenience will be issued granting the following right(s):

To transport, upon call or demand, persons and their baggage; and parcels, packages, and property, at the same basic metered rates; in the city and county of Philadelphia and that area bounded by a line beginning on the north of the Delaware River at the Philadelphia County Line, thence northwardly, westwardly and southwestwardly along the Philadelphia County Line to Philmont Avenue, thence southwestwardly along Philmont Avenue, Welsh Road, Valley Road, Washington Lane, Township Line to Glenside Avenue (excluding any portion of the borough of Jenkintown), Easton Road, Church Road and Paper Mill Road to the Philadelphia County Line (Stenton Avenue), thence westwardly along the Philadelphia County Line and Blue Bell to Joshua Road, thence Southwestwardly along Joshua Road to Cedar Grove Road, thence southeastwardly along Cedar Grove Road and the Schuylkill River joining the Philadelphia County Line and continuing to Port Royal Avenue, thence across the Schuylkill River to Mill Creek Road, Montgomery County, thence southwestwardly along Mill Creek Road, Lancaster Avenue, Ardmore Avenue into Delaware County, and continuing along Ardmore Avenue, Ellis Road, Lawrence Road and Darby Creek

Road to Darby Creek; thence southwardly along Darby Creek to State Road, thence southwardly along State Road, Springfield Avenue, Saxer Avenue, Baltimore Avenue, Woodland Avenue, and Kedron Avenue to MacDade Boulevard, thence northeastwardly along MacDade Boulevard to Winona Avenue continuing in a straight line to the Delaware River, and thence northwardly along the Delaware River to the place of beginning and persons upon call or demand in the boroughs of Norwood, Prospect Park, Ridley Park and Rose Valley, the townships of Ridley, Tinicum, Nether Providence, the village of Moylan and including Lester and Essington, all in Delaware county; and said area to point in Pennsylvania, and from points in Pennsylvania to said area, if the request for such service is received by call to its radio dispatch; limited to the use of one (1) vehicle(s);

subject to the following conditions:

1. That the passenger service provided is subject to the passenger regulations and that the parcel, package and property service provided is subject to the property regulations.

2. That the transportation of parcels and packages is limited to vehicles used in the certificate holder's normal call or demand service.

3. That, whenever any vehicle is occupied by the shipment or shipments of a rate paying customer, no passenger or other shipment shall be permitted to occupy that vehicle, unless the consent of the customer be first obtained.

4. That no charge shall be made for the carriage of hand luggage carried by a fare-paying passenger.

5. That the vehicle(s) shall be number P-1063, said number to be displayed on the side of each front quarter panel and the right rear trunk lid. Each digit of the number shall be not less than 2" in width and 4" in height, and the number shall be painted in a color contrasting to the color of the vehicle. This condition supersedes the marking regulations listed at 52 Pa. Code §29.71(c).

6. That the vehicle(s) authorized herein shall be equipped with a 2-way radio and linked to a central dispatching system.

YOU ARE DIRECTED TO COMPLY WITH THE FOLLOWING REQUIREMENTS ON OR BEFORE SIXTY (60) DAYS FROM THE DATE OF THIS LETTER:

1. File with the Commission, acceptable evidence of bodily injury and property damage liability insurance and cargo liability insurance. The only acceptable proofs of insurance are a Commission Form E for

bodily injury and property damage insurance and a Form H for cargo liability insurance or a cargo insurance waiver form.

2. Provide the Commission, in writing, a description of the vehicle to be operated which description shall include the year, make, vehicle identification number, and upon receipt, the Pennsylvania registration number of the vehicle. The vehicle shall comply with this Commission's Rules and Regulations for vehicle markings and have the required equipment for taxicabs and/or any special equipment required by applicant's Certificate of Public Convenience.

3. Pay all fines due the Commission levied against the certificate number of the seller-transferor and/or buyer-transferee.

4. That upon filing acceptable evidence of insurance and a written vehicle description, you must arrange for an appointment to execute the medallion sales agreement in the presence of a Commission enforcement officer and arrange for an inspection of the vehicle onto which the medallion is to be placed. Vehicles will not be inspected if any fines are due the Commission.

YOU ARE FURTHER ADVISED: That failure to (1) file acceptable evidence of insurance, (2) provide a vehicle description, in writing, (3) pay all fines due the Commission, and (4) arrange for the witnessing of the execution of the sales agreement and present a vehicle for inspection, on or before sixty (60) days from the date of this letter, will result in the dismissal of the application for a Certificate of Public Convenience without further Commission proceedings.

YOU ARE FURTHER ADVISED: That the rates charged shall be in accordance with Philadelphia Call or Demand - Pa. P.U.C. No. 1 (in compliance with the order at docket Nos. I-900003, R-901702 and R-901703 entered January 11, 1991) and supplements thereto or issues thereof.

YOU ARE FURTHER ADVISED: That upon successful completion of said inspection, the Certificate of Public Convenience shall be given to the applicant and the medallion will be placed on the applicant's vehicle.

Very truly yours,

James J. McNulty

James J. McNulty
Secretary