



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

June 5, 2014

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Pennsylvania Public Utility Commission, Bureau of Investigation
and Enforcement v. Lyft, Inc.
Docket No. C-2014-2422713

Dear Secretary Chiavetta:

Enclosed for filing please find an original of the Complaint in the above referenced case on behalf of the Bureau of Investigation and Enforcement of the Pennsylvania Public Utility Commission.

Copies have been served on the parties of record in accordance with the Certificate of Service.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Swindler", is written over the typed name.

Michael L. Swindler
Prosecutor
PA Attorney ID No. 43319

Prosecutor for the Bureau of
Investigation and Enforcement

Enclosures

cc: As per Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION, BUREAU OF
INVESTIGATION AND ENFORCEMENT,
Complainant

v.

LYFT, INC.,
Respondent

DOCKET NO. C-2014-2422713

COMPLAINT

The Pennsylvania Public Utility Commission (Commission) is a duly constituted agency of the Commonwealth of Pennsylvania empowered to regulate public utilities within the Commonwealth. The Commission has delegated its authority to initiate proceedings, which are prosecutory in nature, to the Bureau Investigation and Enforcement (I&E) and other bureaus with enforcement responsibilities. Pursuant to that delegated authority and Section 701 of the Public Utility Code, 66 Pa.C.S. § 701, I&E hereby represents as follows:

1. Lyft, Inc. (Lyft or Respondent) maintains a principal place of business at 548 Market Street #68514 San Francisco, CA 94104.

2. Respondent provides a ride-sharing network that uses digital software (the Lyft app) to connect passengers with individuals who have registered with Lyft as ridesharing operators (Lyft drivers) in select cities throughout the United States. The Lyft app permits a passenger's mobile phone to locate the nearest available Lyft driver, and then alerts the Lyft driver of the passenger's ride request.

3. Lyft drivers use their personal vehicles to respond to ride requests.

4. I&E alleges that Respondent, through its Lyft app, is acting as a broker of transportation in Pennsylvania without proper Commission authority. A "broker" is defined as:

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(b).

5. Pursuant to 66 Pa.C.S. § 2505(a), brokers of transportation in the Commonwealth of Pennsylvania must obtain a brokerage license issued by the Commission prior to engaging in the business of being a broker.

6. Respondent does NOT hold a brokerage license issued by this Commission.

7. On February 7, 2014, Respondent announced the “kick-off” of Lyft in Pittsburgh. Starting on February 7, 2014, passengers could use the Lyft app to obtain “outrageously affordable rides on demand all around Pittsburgh.” A link to the announcement follows: <https://www.eventbrite.com/e/lyft-pittsburgh-launch-party-registration-10036313885>. A copy of this announcement is attached as Exhibit 1.

8. I&E Motor Carrier Enforcement Manager Charles Bowser (Officer Bowser), who is a duly authorized officer of this Commission, downloaded the Lyft app to a mobile phone.

9. Between March 31, 2014 and April 21, 2014, Officer Bowser used the Lyft app to request passenger transportation service in Pittsburgh on twelve (12) separate occasions. On all twelve (12) occasions, Officer Bowser was transported by Lyft drivers using their personal vehicles and a fare for each trip was billed to his credit card:

- (a) On March 31, 2014, with a ride ending at 4:03 PM, from the Smithfield Street Bridge, Pittsburgh, PA 15219 to 1875-1899 East Carson Street, Pittsburgh, PA 15203. The fare charged by Lyft was \$9.00.
- (b) On April 2, 2014, with a ride ending at 2:56 PM, from 1628-1642 Penn Avenue, Pittsburgh, PA 15222 to 300 Liberty Avenue, Pittsburgh, PA 15222. The fare charged by Lyft was \$7.00.
- (c) On April 2, 2014, with a ride ending at 4:00 PM, from 777 Casino Drive, Pittsburgh, PA 15212 to 300 Liberty Avenue, Pittsburgh, PA 15222. The fare charged by Lyft was \$8.00.
- (d) On April 3, 2014, with a ride ending at 1:50 PM, from 58-78 Market Square, Pittsburgh, PA 15222 to 2-48 17th Street, Pittsburgh, PA 15222. The fare charged by Lyft was \$6.00.
- (e) On April 14, 2014, with a ride ending at 7:31 PM, from 235-319 Commonwealth Place, Pittsburgh, PA 15222 to 242 West Station Square Drive, Pittsburgh, PA 15219. The fare charged by Lyft was \$5.00.
- (f) On April 14, 2014, with a ride ending at 8:37 PM, from 85-93 South 18th Street, Pittsburgh, PA 15203 to U.S. 30, Pittsburgh, PA 15222. The fare charged by Lyft was \$7.00.
- (g) On April 16, 2014, with a ride ending at 3:53 PM, from 501-523 Liberty Avenue, Pittsburgh, PA 15222 to 7-300 West Station Square Drive, Pittsburgh, PA 15219. The fare charged by Lyft was \$9.00.
- (h) On April 16, 2014, with a ride ending at 4:45 PM, from 235-319 Commonwealth Place, Pittsburgh, PA 15222 to 777 Casino Drive, Pittsburgh, PA 15212. The fare charged by Lyft was \$7.00.
- (i) On April 16, 2014, with a ride ending at 6:40 PM, from 777 Casino Drive, Pittsburgh, PA 15212 to 451-467 Liberty Avenue, Pittsburgh, PA 15222. The fare charged by Lyft was \$6.00.

- (j) On April 16, 2014, with a ride ending at 7:27 PM, from 50-98 20th Street, Pittsburgh, PA 15222 to 300 Liberty Avenue, Pittsburgh, PA 15222. The fare charged by Lyft was \$6.00.
- (k) On April 21, 2014, with a ride ending at 7:42 PM, from 1-11 Stanwix Street, Pittsburgh, PA 15222 to 777 Casino Drive, Pittsburgh, PA 15212. The fare charged by Lyft was \$5.00.
- (l) On April 21, 2014, with a ride ending at 9:01 PM, from 7-300 West Station Square Drive, Pittsburgh, PA 15219 to 2001-2099 Wharton Street, Pittsburgh, PA 15203. The fare charged by Lyft was \$8.00.

10. The Lyft drivers who responded to Officer Bowser's requests and provided transportation did not have proper Commission authority to transport persons for compensation within Pennsylvania.¹

11. Respondent violated Section 1101 of the Public Utility Code, 66 Pa. C.S. §1101, in that it offered to broker the transportation of persons for compensation in the Commonwealth of Pennsylvania without holding authority to do so when it announced the launch of its ride-sharing service and then initiated the Lyft app, which connects passengers with available drivers and charges a fare for its transportation services.

I&E's proposed civil penalty for this violation is \$118,000, or \$1,000 for each and every day since February 7, 2014, or the date that Lyft launched its ride-sharing service. Future violations may result in possible criminal prosecution pursuant to 66 Pa.C.S. § 3302.

12. Respondent violated Section 1101 of the Public Utility Code, 66 Pa. C.S. §1101, in that it in fact brokered the transportation of persons for compensation in the Commonwealth of Pennsylvania without holding authority to do so during the twelve (12) trips mentioned in Paragraph 9 of this Complaint.

I&E's proposed civil penalty is \$12,000. Future violations may result in possible criminal prosecution pursuant to 66 Pa.C.S. § 3302.

¹ Separate enforcement proceedings have been initiated against those individuals as docketed with this Commission at: C-2014-2418173, C-2014-2418174, C-2014-2418175, C-2014-2418176, C-2014-2418177, C-2014-2418178, C-2014-2418179, C-2014-2418180, C-2014-2418281, C-2014-2418282, C-2014-2418283 and C-2014-2418284.

WHEREFORE, the Pennsylvania Public Utility Commission's Bureau of Investigation and Enforcement hereby requests that the Commission: (1) find Respondent to be in violation of 66 Pa.C.S. §1101 for each one of the counts set forth herein; (2) impose a civil penalty upon Respondent in the amount of one hundred thirty thousand dollars (\$130,000); (3) direct Respondent to cease offering ride-sharing passenger transportation service until its service conforms to the laws and regulations of the Commonwealth; and (4) order such other remedy as the Commission may deem to be appropriate including the addition of a \$1,000 civil penalty for each and every day that Respondent continues to operate after the date of filing of this Complaint.

Respectfully submitted,



Michael L. Swindler
Prosecutor
PA Attorney ID No. 43319

Stephanie M. Wimer
Prosecutor
PA Attorney ID No. 207522

Wayne T. Scott
First Deputy Chief Prosecutor
PA Attorney ID No. 29133

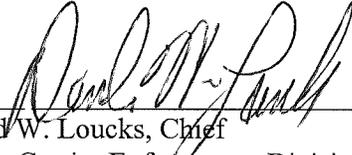
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
P.O. Box 3265
Harrisburg, PA 17105-3265

Dated: June 5, 2014

VERIFICATION

I, David W. Loucks, Chief Motor Carrier Division of the Bureau of Investigation and Enforcement, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect that the Bureau will be able to prove same at any hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. §4904 relating to unsworn falsification to authorities.

Date: 6-5-14



David W. Loucks, Chief
Motor Carrier Enforcement Division
Bureau of Investigation and Enforcement

NOTICE

A. You must file an Answer within twenty (20) days of the date of service of this Complaint. The date of service is the mailing date as indicated at the top of the Secretarial Cover Letter for this Complaint and Notice, 52 Pa. Code §1.56(a). An Answer is a written explanation of circumstances wished to be considered in determining the outcome. The Answer shall raise all factual and legal arguments that you wish to claim in your defense and must include the reference number of this Complaint. Your Answer must be verified and the original **shall be mailed to:**

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17105-3265

Or may be sent by overnight delivery to:
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

Additionally, please serve a copy on:

Wayne T. Scott, Prosecutor
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17105-3265

B. If you fail to answer this complaint within twenty (20) days, the Bureau of Investigation and Enforcement will request that the Commission issue a Secretarial Letter imposing a penalty. The penalty could include a fine, the suspension or revocation of your certificate of public convenience or other remedy.

C. You may elect not to contest this complaint by paying the fine proposed in this Complaint by certified check or money order. Payment must be made to the **Commonwealth of Pennsylvania** and should be forwarded to:

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Your payment is an admission that you committed the alleged violation and an agreement to cease and desist from further violations. Upon receipt of your payment, the complaint proceeding shall be closed.

D. If you file an Answer, which admits or fails to deny the allegations of the Complaint, the Bureau of Transportation and Safety will request that the Commission issue a Secretarial Letter imposing a penalty.

E. If you file an Answer which contests the Complaint, the matter will be assigned to an Administrative Law Judge for hearing and decision. The judge is not bound by the optional fine set forth above.

F. If you have questions regarding this Complaint or if you would like an alternative format of this Complaint (for persons with disabilities), please contact the Compliance Office at (717) 787-1227.

Exhibit #1

Create an event Find events

Check out these upcoming events

Share Tweet

Questions? Contact the organizer



Find events in your area this weekend

Check out events

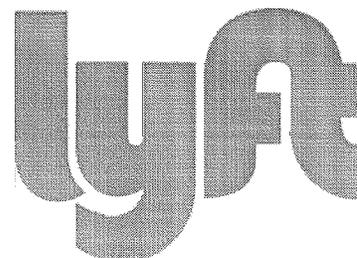
See where your friends are going

Connect with Facebook

This event has ended

Lyft Pittsburgh Launch Party

Lyft
Friday, February 7, 2014 from 6:00 PM to 10:00 PM (EST)
Pittsburgh, PA



Registration Information

TYPE	END	QUANTITY
Friend of Lyft	Ended	Free Sold Out

Who's Going

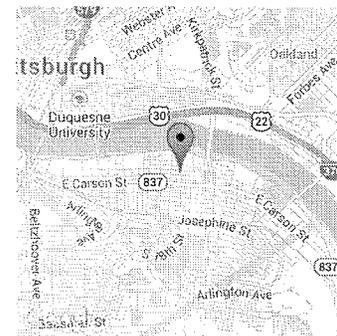
Connect to see which of your Facebook friends are going to Lyft Pittsburgh Launch Party.
Connect with Facebook

Share Lyft Pittsburgh Launch Party

Share Tweet Like 28 people like this.

Event Details

When & Where



Clear Story
1931 Sidney St
Pittsburgh, PA 15203

Friday, February 7, 2014 from 6:00 PM to 10:00 PM (EST)

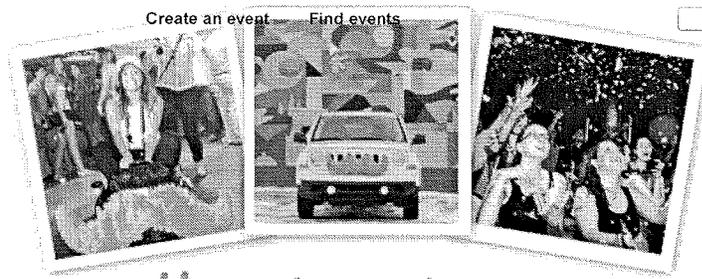
Add to my calendar

Organizer

Lyft
Check out lyft.me
Follow @lyft on Twitter
Like Lyft on Facebook

Contact the Organizer

View organizer profile



Create an event Find events

Share Tweet

facebook.com/lyft
 Like 28 Questions? Contact the organizer
 lyft
 52 past events on Eventbrite

Hey, Pittsburgh

CAN'T WAIT TO MEET YOU

Come celebrate the kick-off of our Pittsburgh community **Friday, February 7 from 6-10pm** at Clear Story, on the South Side. Expect bumping beats, delectable eats and a few drinks on us!

Just download the Lyft app to get in at the door. We'll send you off with **loads** of Lyft credit to pioneer our Pittsburgh community.

What is Lyft, you ask? We're your new best friend with a car. You can use the Lyft app to get outrageously affordable rides on demand all around Pittsburgh, starting February 7th.

#LyftOffPittsburgh

You must be 21+ years old to attend

Have questions about Lyft Pittsburgh Launch Party? Contact Lyft

Use Eventbrite for event ticketing and online event registration
 ©2014 Eventbrite | About | Terms | Privacy | Help Center | Cookie Policy

Already registered? Get your tickets
 Questions? Contact the organizer

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing Complaint upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

Notification by First Class Mail:

Lyft, Inc.
548 Market Street #68514
San Francisco, CA 94104



Michael L. Swindler
Prosecutor
PA Attorney ID No. 43319

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
P.O. Box 3265
Harrisburg, PA 17105-3265

Dated: June 5, 2014