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January 13, 2015

**VIA E-FILING**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

Re: Applications of Rasier-PA LLC,  
Docket Nos. A-2014-2424608 and A-2014-2416127

Dear Secretary Chiavetta:

On behalf of Rasier-PA, LLC ("Rasier-PA"), I am electronically filing a Response to the Comments of the Insurance Federation of Pennsylvania, Inc. regarding Rasier-PA's Compliance Plans, which were filed in the above-captioned matters on December 24, 2014, and supplemented on January 5, 2015 and January 9, 2015.

Please note that in Paragraph 13 of this Response, Rasier-PA clarifies its intention to require existing drivers to provide verification of contacting their personal automobile insurers regarding policy impacts associated with operating their vehicles on the Rasier-PA platform. While the Compliance Plans note that compliance with this condition will occur going forward through the driver sign-up process, Rasier-PA is not seeking to exempt existing drivers from providing this verification. Rather, it is establishing a separate process through which to obtain those verifications within 30 days after approval of the Compliance Plans.

Copies have been served on all parties as indicated in the attached certificate of service.

Sincerely,



Karen O. Moury

KOM/bb

cc: Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Rasier-PA LLC, a Wholly Owned :  
Subsidiary of Uber Technologies, Inc. for a :  
Certificate of Public Convenience Evidencing : Docket No. A-2014-2424608  
Approval to Operate an Experimental :  
Ride-Sharing Network Service Between Points in :  
the Commonwealth of Pennsylvania, Excluding :  
Designated Counties :

Application of Rasier-PA LLC, a limited :  
liability company of the State of Delaware, :  
for the right to begin to transport, by motor vehicle : Docket No. A-2014-2416127  
persons in the experimental service of shared-ride :  
network for passenger trips between points in :  
Allegheny County :

**RASIER-PA LLC'S RESPONSE  
TO COMMENTS OF INSURANCE FEDERATION  
REGARDING COMPLIANCE PLANS**

Rasier-PA LLC ("Rasier-PA"), by and through its counsel, Karen O. Moury and Buchanan Ingersoll & Rooney PC, submits this Response to the Comments filed by the Insurance Federation of Pennsylvania, Inc. ("Insurance Federation") on January 8, 2015 regarding the Compliance Plans filed by Rasier-PA pursuant to the Commission's Orders entered on December 5, 2014 ("*December 5 Orders*"). In support of this Response, Rasier-PA avers as follows:

**I. INTRODUCTION**

1. The objections filed by the Insurance Federation on January 8, 2015 do not constitute an authorized pleading under the Commission's regulations and were not solicited by the *December 5 Orders*. As such, they be stricken from the record and wholly disregarded by the Commission.

2. Additionally, the objections are replete with inflammatory and baseless allegations that have no support in the evidentiary record. Moreover, while the comments purport to be in response to the Compliance Plans, in many respects they are nothing more than an attempt to re-litigate the issues that the Insurance Federation has raised previously, which have already been considered and properly rejected by the Commission. Overall, the Insurance Federation seeks to place itself in the shoes of the regulator by demanding to see documents to which the Commission has full access and is more than qualified to review for compliance.

3. Importantly, Rasier-PA's Compliance Plans filed on December 24, 2014, as supplemented on January 5, 2015 and January 9, 2015, fully comply with the *December 5 Orders* and warrant approval by the Commission. In the Compliance Plans, Rasier-PA has addressed every condition imposed by the Commission's *December 5 Orders* and provided a detailed explanation as to how it has complied or will timely comply with each of those conditions. As noted in the Compliance Plans, its insurer, James River Insurance Company has already filed a Form E Certificate of Insurance demonstrating primary liability insurance coverage for the periods and in the amounts as required by the December 5 Orders.

## **II. ARGUMENT**

4. Chapter 5 of the Commission's regulations sets forth the pleadings that may be filed in formal proceedings. 52 Pa. Code, Chapter 5. Nothing in Chapter 5 permits a party to file comments or objections to a compliance plan, unless the compliance filing prescribes rates. *See* 52 Pa. Code § 5.592. Additionally, the *December 5 Orders* provided no opportunity for parties to file comments or objections to Rasier-PA's Compliance Plans. *See, e.g., Petition of Duquesne Light Company for Approval of its Final Smart Meter Procurement and Installation Plan,*

Docket No. M-2009-2123948 (Order entered May 6, 2013) (Commission solicited comments from parties within 30 days after filing of compliance plan).

5. The Commission is certainly capable of determining whether the Compliance Plans fulfill the conditions that it imposed on Rasier-PA by the *December 5 Orders*, without any assistance from the parties. However, if the Commission elects to consider the unsolicited comments that were filed by the Insurance Federation, Rasier-PA offers these responses, as set forth below.<sup>1</sup>

6. Additionally, the objections are replete with inflammatory and baseless allegations that have no support in the evidentiary record. Moreover, while the comments purport to be in response to the Compliance Plans, in many respects they are nothing more than an attempt to re-litigate the issues that the Insurance Federation has raised previously, which have already been considered and properly rejected by the Commission. Overall, the Insurance Federation seeks to place itself in the shoes of the regulator by demanding to see documents to which the Commission has full access and is more than qualified to review for compliance.

7. The Commission's insurance requirements for the Compliance Plans are set forth in Appendix A, Section A, and more fully described on pages 54-59 of the *December 5 Statewide Order*.

8. The Insurance Federation objects because the Form E Certificate of Insurance filed by James River Insurance Company ("James River") does not outline the coverage in the underlying policies and is silent on coverage for property damage and first party medical and wage loss benefits. In the *December 5 Orders*, the Commission approved the insurance liability coverage proposed by Rasier-PA as meeting or exceeding the requirements of the Commission's

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<sup>1</sup> For references contained herein, Rasier-PA uses the Commission's December 5, 2014 Order at Docket No. A-2014-2424608 ("*December 5 Statewide Order*") and Rasier-PA's Brief filed at that docket.

regulations at 52 Pa. Code § 32.11(b).<sup>2</sup> The purpose of the Form E is for James River to certify that Rasier-PA has fulfilled the insurance coverage requirements of the Commission's regulations and orders. See, *Insurance Corporation of New York v. Antrom*, 2008 Pa. Super. LEXIS 5616; 52 Pa. Code § 32.11(a); 52 Pa. Code §§ 3.381(e) and (f). Within the Form E, James River agrees to furnish the Commission a copy of the policies and all endorsements thereon. Therefore, Rasier-PA has complied with the Commission's requirements and the Commission has access to the documents it may need, as well as the necessary expertise, to ensure such compliance.

9. The Insurance Federation's next comment is that requiring drivers to provide proof of liability insurance for Stage 0 once per year is insufficient. At the hearing, Mr. Fuldner testified that drivers are required to provide proof of insurance before operating on the platform and that proof of insurance is checked annually.<sup>3</sup> He further explained that if the driver's insurance would lapse, it would have no impact on the primary insurance coverage provided by Rasier-PA.<sup>4</sup> The Commission approved this proposal and the Compliance Plans are consistent with the Commission's *December 5 Orders*.<sup>5</sup>

10. The Insurance Federation further claims that the Compliance Plans are deficient with respect to Rasier-PA clearly and adequately informing driver, in writing, of the levels of insurance coverage provided during Stages 1, 2 and 3, including whether it is providing comprehensive and collision coverage. This condition imposed on Rasier-PA by the *December 5 Orders* mirrored its proposal, under which Mr. Fuldner testified that Rasier-PA informs drivers

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<sup>2</sup> *December 5 Statewide Order* at 54-56.

<sup>3</sup> Rasier-PA M.B. at 30; N.T. 545 and 548.

<sup>4</sup> Rasier-PA M.B. at 30; N.T. 519 and 579.

<sup>5</sup> *December 5 Statewide Order* at 56.

as to the insurance coverage that it is providing.<sup>6</sup> The Compliance Plans specify the exact information that it will provide to drivers, including the primary coverage levels for Stages 1, 2 and 3, and whether it is providing comprehensive and collision coverage to the drivers. There is nothing mysterious about those levels as they are spelled out in the Commission's *December 5 Orders* and in the Compliance Plans.

11. The Insurance Federation also comments that the Compliance Plans do not outline how Rasier-PA will educate drivers on what to do in the event of an accident or explain how drivers will obtain proof of the commercial insurance policy. As a compliance filing is not intended to be a full recitation of the application and the evidence produced in support of the application, but rather a vehicle for addressing some issues in greater detail than has already occurred, the *December 5 Orders* did not require the Compliance Plan to include those details. Mr. Fuldner testified that drivers are advised how to download evidence of insurance and instructed to furnish such information in the event of an accident.<sup>7</sup> Therefore, no additional explanation was required.

12. The Insurance Federation next argues that the Compliance Plans contain insufficient detail regarding implementation of the directive for drivers to be required to contact their personal automobile insurers regarding policy impacts associated with operating the vehicle on the Rasier-PA platform and provide too long of a timeframe for drivers to contact their insurers. In the *December 5 Orders*, the Commission imposed a condition on Rasier-PA requiring drivers to verify that they agree to make contact with their personal insurer within a specified period of time. In making this commitment, Rasier-PA's Compliance Plans essentially parroted this language by noting that it will require each driver to verify through an electronic

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<sup>6</sup> N.T. 537-538.

<sup>7</sup> Rasier-PA M.B. at 33; N.T. 550-552.

signature that, within 30 days of activation, he will review the terms of his personal automobile insurance policy with his insurer regarding use of the insured vehicle on Rasier-PA's platform. The Insurance Federation's requests for the Commission to impose additional requirements are seeking changes to the *December 5 Orders* and have no bearing on the question of whether Rasier-PA's Compliance Plans comply with those orders, which Rasier-PA has demonstrated they do.

13. The Insurance Federation further contends that the Compliance Plans are prospective and only apply to drivers it will later sign-up, not to existing drivers. Rasier-PA notes that Mr. Fuldner testified extensively as to what existing drivers were told during the sign-up process, including that their personal insurance policy may not afford coverage under liability, comprehensive, collision, uninsured motorist, first party medical benefits or any other coverage in connection with their use of the platform.<sup>8</sup> Additionally, they were required to acknowledge that their personal automobile insurance policy may not provide coverage.<sup>9</sup> Further, Rasier-PA recommended that they direct any questions they have about coverage to their personal insurance carriers.<sup>10</sup> Despite having given all of this information to existing drivers, Rasier-PA intends to require existing drivers to provide the same verification through a separate process as is described for prospective drivers through the sign-up process.

14. The Insurance Federation's final comment relates to the Affiliated Interest Agreement. Contrary to the Insurance Federation's claim, Rasier-PA did include an Affiliated Interest Agreement with the original filing on December 24, 2014. It then supplemented the agreement with additional names on January 5, 2015. As noted therein, the primary contact person, Mr. Jonathan Feldman, is responsible for overseeing all aspects of regulatory

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<sup>8</sup> Rasier-PA M.B. at 33; N.T. 535-536, 545.

<sup>9</sup> Rasier-PA M.B. at 33; N.T. 536-539, 545.

<sup>10</sup> Rasier-PA M.B. at 33; N.T. 538, 545.

compliance, including the auditing of documents. Clearly, as insurance is a matter of regulatory compliance and involves the auditing of documents submitted by drivers, it is adequately covered by the Compliance Plans.

**III. CONCLUSION**

15. WHEREFORE, Rasier-PA's Compliance Plans filed on December 24, 2014, and as supplemented on January 5, 2015 and January 9, 2015, fully comply with the conditions imposed by the *December 5 Orders* and should be approved.

Respectfully submitted,



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(717) 237-4820

Dated January 13, 2015

*Attorneys for Rasier-PA LLC*

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persons in the experimental service of shared-ride :  
network for passenger trips between points in :  
Allegheny County :

**CERTIFICATE OF SERVICE**

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

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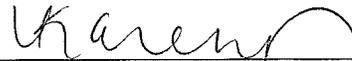
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Dated this 13<sup>th</sup> day of January, 2015.



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Karen O. Moury, Esq.