

# Buchanan Ingersoll & Rooney PC

**Karen O. Moury**

717 237 4820  
karen.moury@bipc.com

409 North Second Street  
Suite 500  
Harrisburg, PA 17101-1357  
T 717 237 4800  
F 717 233 0852  
www.buchananingersoll.com

October 29, 2015

## VIA E-FILING

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> floor  
Harrisburg, PA 17120

Re: Rasier-PA LLC Compliance Plan – Third Quarterly Report  
Nos. A-2014-2416127 and A-2014-2424608

Dear Secretary Chiavetta:

On behalf of Rasier-PA, LLC (“Rasier-PA”), I am electronically filing the Rasier-PA LLC Compliance Plan – Third Quarterly Report that is due on October 30, 2015, regarding the above-captioned matters. Through this Third Quarterly Report, Rasier-PA demonstrates its continued compliance with the conditions and requirements imposed by the Commission in its Orders approving experimental authority to provide transportation network services.

Copies have been served on all parties as indicated in the attached Certificate of Service. If you have any questions, please feel free to contact me.

Very truly yours,



Karen O. Moury

KOM/bb

Enclosures

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 Compliance Plan – Third Quarterly Report**

---

**I. Introduction**

By Order entered on January 29, 2015 (“*January 2015 Order*”), the Pennsylvania Public Utility Commission (“Commission”) approved the Compliance Plans filed by Rasier-PA LLC (“Rasier-PA”) pursuant to the Commission’s Orders entered on December 5, 2014 (“*December 2014 Orders*”) at Docket Nos. A-2014-2416127 and A-2014-2424608. Certificates of public convenience evidencing this approval were issued on January 29, 2015.

The *December 2014 Orders* conditionally approved Rasier-PA’s applications to provide experimental transportation network services between points in Pennsylvania excluding trips that originate or terminate in the Counties of Beaver, Clinton, Columbia, Crawford, Lawrence, Lycoming, Mercer, Montour, Northumberland, Philadelphia and Union and in that portion of the County of Luzerne which is located within an airline distance of 15 statute miles of the limits of the Borough of Berwick, Columbia County. The experimental transportation network services approved by the *January 2015 Order* involve drivers using their personal vehicles to provide transportation to passengers who submit requests through the Uber Technologies, Inc. (“UTI”) mobile application (“App”).

The conditions established by the Commission were set forth in Appendix A attached to the *December 2014 Orders*. Rasier-PA filed Compliance Plans on December 24, 2014 and supplemented them with additional information filed on January 5, 2015 and January 9, 2015.

As required by the *December 2014 Orders*, Rasier-PA's Compliance Plans committed to fulfilling each condition within 30 days following Commission approval of the Compliance Plan.

Per Ordering Paragraph 5 of the *January 2015 Order*, the first Quarterly Report was provided to the Bureau of Technical Utility Services ("TUS") on April 30, 2015 to demonstrate Rasier-PA's continuing compliance with the conditions set forth in Appendix A of the *December 2014 Orders*. Compliance with each condition was described in detail in the first Quarterly Report, and Rasier-PA certified that such compliance was accomplished by March 1, 2015. Consistent with Ordering Paragraph 5 of the *January 2015 Order*, Rasier-PA submits this second Quarterly Report, which is due no later than July 30, 2015, describing continued compliance with each condition, as discussed below. On July 23, 2015, Rasier-PA filed its Second Quarterly Report, again demonstrating its compliance with the conditions set forth in the *January 2015 Order*.

## **II. Components of Compliance Plan**

### **A. Insurance**

1. *Primary Liability Insurance.* Rasier-PA maintains primary liability insurance coverage covering its experimental transportation network services for Stage 1 at levels that exceed the amounts required by the Commission's regulations at 52 Pa. Code § 32.11(b), plus \$1,000,000 coverage for Stages 2 and 3.<sup>1</sup> Specifically, for Stage 1, Rasier-PA maintains primary liability insurance coverage in the amount of \$125,000, split in the amounts of \$50,000 bodily injury per person, \$100,000 bodily injury per accident and \$25,000 property damage per accident. James River Insurance Company, an insurance carrier authorized to do business in the Commonwealth of Pennsylvania, filed a Form E on December 19, 2014 evidencing this insurance coverage. In addition, Rasier-PA requires drivers to maintain and provide proof of liability insurance during the sign-up process, and annually thereafter, covering Stage 0, which falls outside the scope of experimental transportation network services.
2. *Notifications to Drivers.* During the driver sign-up process, Rasier-PA informs drivers, in writing through electronic notification, as follows:
  - a. It has obtained primary liability insurance coverage, as noted above, for Stage 1.
  - b. It has obtained primary liability insurance coverage in the amount of \$1,000,000, at a combined single limit, including bodily injury and property damage, and \$1,000,000 in uninsured/underinsured coverage for bodily injury per incident, for Stages 2 and 3.

---

<sup>1</sup> The *December 2014 Orders* describe the different stages of experimental transportation network service as follows:

- Stage 0: Driver is driving for personal reasons and the App is closed.
- Stage 1: Driver opens the App and is logged on to the system.
- Stage 2: Driver receives and accepts a ride request and travels to pick up the passenger
- Stage 3: Driver picks up the passenger, drives the passenger to the destination, and the passenger exits the vehicle.

- c. Whether it is providing comprehensive and collision coverage to the drivers.
- d. In the event of an accident during Stages 1, 2 and 3, drivers shall produce evidence of Rasier-PA's insurance.

Rasier-PA maintains verifiable records thereof for three years in electronic format.

- 3. *Review of Personal Policy.* During the driver sign-up process, Rasier-PA requires each driver to verify through an electronic signature that, within 30 days of being activated on the platform, he will review the terms of his personal automobile insurance policy with his insurer or agent regarding the use of the insured vehicle on Rasier-PA's platform. Rasier-PA maintains verifiable records thereof for three years in electronic format.

## **B. Driver Integrity**

- 1. *Criminal Background Checks.* Rasier-PA undertakes driver criminal background checks that exceed the requirements of 52 Pa. Code §§ 29.503 and 29.505, both in terms of the scope of review and the number of years that are reviewed, as described below:
  - a. *Entity Conducting Background Checks.* UTI utilizes a nationally accredited third party group to perform criminal background checks. The third party vendor performs the background checks and provides the information to UTI. Employees of UTI, who are assigned to Rasier-PA, are responsible for the review and disposition of each application.
  - b. *Timing of Criminal Background Checks.* All applicants seeking to be a driver must pass the entire background screening process prior to being able to access the App and become available to accept trip requests. Thereafter, criminal background checks are performed annually. Existing drivers are immediately removed and barred from the platform if he or she fails the annual criminal background checks.
  - c. *Screening.* All applicants and drivers are screened through:
    - (1) County Criminal Search of courthouse records going back 7 years for every county of residence for every match of name and address
    - (2) Federal District Search of courthouse records going back 7 years
    - (3) National (Multi-State) Criminal Database Search going back 7 years
    - (4) National Sex Offender Registry
    - (5) Social Security Trace (lifetime search based on name and social security number to identify addresses and names, including "also known as" and aliases, associated with the individual)
  - d. *Automatic Disqualification.*
    - (1) Individuals are automatically disqualified from being a driver if they are recorded in the National Sex Offender Registry.

- (2) Individuals are automatically disqualified from being a driver if they have been convicted of violent crimes, sexual offenses or felonies in the past 7 years, including:
- Assault
  - Sexual assault
  - Battery
  - Homicide
  - Theft/burglary/robbery
  - Indecent exposure
  - Gun-related violations
  - Resisting/evading arrest
  - Felony fraud
  - Property damage
  - Driving under the influence
  - Controlled substance violations
  - Severe driving violations such as hit-and-run, driving over 100 mph, driving on a suspended/revoked license or driving on the wrong side of a divided highway
- (3) Individuals are automatically disqualified from being a driver if they have been convicted of driving without insurance or driving with a suspended license in the past 3 years.

e. *Recordkeeping.* Rasier-PA maintains verifiable records thereof for two years.

2. *Driver History Checks.* Rasier-PA undertakes drivers' history checks consistent with 52 Pa. Code § 29.504, as described below:

a. *Entity and Method for Conducting Driver History Checks.* UTI employees are assigned to Rasier-PA to perform driver history checks.

(1) Following authorization by the individual, UTI employees or UTI's third party contractor accesses the motor vehicle records through the Pennsylvania Department of Transportation ("PennDOT") portal, by entering a driver's license number and the first two letters of the individual's last name.

(2) For an applicant who does not have seven years of driving history in Pennsylvania, UTI's third party contractor reviews the motor vehicle records of the applicant in any other applicable states of residence and provides this information to UTI employees who are assigned to Rasier-PA to perform driver history checks.

b. *Timing of Driver History Checks.* All applicants must pass the driver history checks prior to being able to access the App and become available to accept trip requests. Thereafter, driving history checks are performed annually. Existing drivers are immediately removed and barred from the platform if he or she fails the annual driver history checks.

c. *Minimum Requirements.* Drivers must be at least 21 years of age. Applicants who are the age of 21 or 22 years must have had a driver's license for three or more years. Applicants who are 23 years or older must have had a driver's license for one or more years.

d. *Automatic Disqualification.*

(1) Individuals are automatically disqualified from being a driver if they are found to have committed extreme violations in the last 7 years, including:

- Driving under the influence of drugs or alcohol
- Crime involving the use of a motor vehicle
- Severe driving infractions, such as:
  - Aggravated reckless driving
  - Driving over 100 mph
  - Hit and run violations
  - Attempting to evade police
  - Other reckless driving
- Violations involving property damage
- Violations involving fatal accidents

(2) Individuals are automatically disqualified from being a driver if they are found to have committed any major violations in the last 3 years, including:

- Driving with a suspended, revoked or invalid license
- Driving with invalid or no insurance
- Driving on the wrong side of a divided highway
- Speeding by more than 20 mph over the limit

(3) Individuals are automatically disqualified from being a driver if they are found to have committed more than three minor violations in the last 3 years, including:

- Violations involving non-fatal accidents
- Traffic light violations
- Normal speeding tickets
- Miscellaneous moving violations

e. *Recordkeeping.* Rasier-PA maintains verifiable records thereof for three years.

3. *Zero Tolerance Policy.* Rasier-PA has a "zero tolerance" policy for the use of drugs or alcohol while the driver is operating on the platform, consistent with 52 Pa. Code §§ 29.506 and 29.507. Implementation of this policy occurs through:

a. *Drug and Alcohol Screening.* Conducting drug and alcohol screening before individuals are permitted to access the App and be available to accept trip requests, and repeating this screening on an annual basis. This screening is done through the criminal background checks and driver history checks which automatically disqualify individuals who have been convicted of felonies involving controlled substances or driving under the influence of alcohol or drugs in the last 7 years from being drivers.

- b. *Notice on Website.* Posting a notice on its website of the zero tolerance policy, along with procedures for passengers to report a complaint, including a telephone number for the Commission, about a driver with whom the passenger was matched and for whom the passenger reasonably suspects was under the influence of drugs or alcohol during the course of the transportation.
- c. *Suspension.* Immediately suspending the driver, pending an investigation, upon receipt of a passenger complaint alleging a violation of the zero tolerance policy.
- d. *Investigation.* Investigating the complaint.
- e. *Deactivation.* Deactivating the driver if the investigation shows a violation of the zero tolerance policy.
- f. *Recordkeeping.* Rasier-PA maintains verifiable records thereof for three years.

### **C. Vehicle Safety**

- 1. *Annual Inspections.* Rasier-PA ensures that drivers' vehicles successfully pass the annual PennDOT inspections required by 75 Pa.C.S. Chapter 47 pursuant to 52 Pa. Code § 29.405. During the driver sign-up process, Rasier-PA collects evidence of the successful completion of annual state inspections. For drivers already operating on the platform, Rasier-PA follows the process described below:
  - a. *Auditing.* On a weekly basis, Rasier-PA conducts a document audit through which it identifies drivers with documents, including proof of PennDOT inspection requirements, which are expiring in the upcoming week and sends those drivers an electronic mail and a text message instructing them to upload new documents.
  - b. *Review of New Documents.* UTI employees assigned to Rasier-PA review the new documents, including the inspection sticker and the vehicle identification number, to verify that they are correct, current and compliant.
  - c. *Suspension of Account.* If the new document is not uploaded, reviewed and approved by the document expiration date, the account is suspended, which means that the driver cannot access or receive trips through the App. The account remains suspended until the driver provides current (non-expired) documents, and those documents are verified by a UTI employee assigned to Rasier-PA to be correct, current and compliant.
  - d. *Recordkeeping.* Rasier-PA maintains verifiable records thereof for three years.

2. *Drivers' Obligations.* To comply with the Commission's requirement that vehicles remain in continuance compliance with the standards at 52 Pa. Code §§ 29.402(1) and (2) and 29.403, Rasier-PA:
  - a. Informs drivers during the sign-up process that they are responsible for ensuring that their vehicles remain in compliance with these standards.
  - b. Requires drivers to provide evidence of the successful completion of PennDOT inspections on an annual basis.
  - c. Mandates that drivers resolve any deficiencies identified by enforcement officers during inspections conducted under the Commission's regulations.
  - d. Follows up with drivers to resolve any negative feedback about their vehicles that is provided by customers through the rating system, responses to email receipts or complaints.
  - e. Deactivates a driver from the platform who fails to provide evidence of the successful completion of annual PennDOT inspection or who fails to rectify any safety-related deficiencies with their vehicles.
  
3. *Age of Vehicles.* Rasier-PA does not permit the use of conventional vehicles older than ten model years or alternatively fueled vehicles older than twelve model years, consistent with 52 Pa. Code § 29.314(d), as follows:<sup>2</sup>
  - a. During the driver sign-up process, Rasier-PA collects vehicle information from drivers to verify that conventional vehicles are not older than ten model years and alternatively fueled vehicles are not older than twelve model years and includes this information in a database.
  - b. Thirty days prior to the conventional or alternatively fueled vehicles reaching ten or twelve model years, respectively, Rasier-PA provides a notification to drivers that their vehicles need to be replaced. In the event such vehicles are not replaced, Rasier-PA deactivates the driver from the platform until such time as he replaces his vehicle.
  
  - c. Rasier-PA maintains verifiable records thereof for three years.
  
4. *Markings.* Rasier-PA requires each driver to place a "U" placard in the windshield of the vehicle, which is clearly visible from outside the vehicle at all times while operating in Stages 1, 2 or 3, consistent with 52 Pa. Code §§ 29.71 and 29.72. The "U" placards are 4 inches by 4 inches in size and printed with the UTI logo on glossy cardstock. These placards are placed in a clear sleeve and affixed to the front windshield on the passenger side of the driver's vehicle. Each driver is given a placard and a plastic sleeve, along

---

<sup>2</sup> The Commission's final regulations revising the vehicle age requirements went into effect upon publication in the Pa. Bulletin on July 18, 2015 at 45 Pa.B. 3828. The Commission previously ruled that Rasier-PA may immediately begin following the new vehicle age requirements (10 model years for conventional vehicles and 12 model years for alternatively fueled vehicles) upon their approval and publication in the Pennsylvania Bulletin. *Petition of Rasier-PA LLC for Waiver of Six Month Delay in Implementation of Changes in the Commission's Vehicle Age and Mileage Regulations at 52 Pa. Code § 29.314* (Order entered April 23, 2015). Consistent with the new regulations and that ruling, Rasier-PA began allowing such vehicles to operate on the platform in July 2015.

with instructions for where to affix them and to use them when they are logged into the App and available to pick up passengers.

#### **D. Recordkeeping, Reports and Audits**

1. Rasier-PA maintains verifiable service records for a period of two years including: trip information (date, time, origination, destination and fare); vehicle information under 52 Pa. Code § 29.314(c); and the identity and driver's license numbers of all drivers.
2. Rasier-PA will comply with the accident reporting requirements of 52 Pa. Code § 29.44 by providing telephonic notification to the TUS's Transportation Division within 24 hours of an accident resulting in the death of a person, and is maintaining records of any accident that results in a police report for a period of one year.
3. Rasier-PA filed its assessment report with the Commission on March 31, 2015 reporting its gross intrastate operating revenues for 2014, pursuant to 52 Pa. Code § 29.43.
4. Rasier-PA is operating under the Affiliated Interest Agreement filed with the Commission on January 5, 2015, pursuant to 66 Pa.C.S. § 2102. The agreement identifies Jon Feldman, General Manager-Uber Pennsylvania, as the UTI employee who is furnishing management and supervisory services regarding regulatory compliance in Pennsylvania. Mr. Feldman's offices are located at 109 South 13<sup>th</sup> Street, Philadelphia, PA 19107.
5. Rasier-PA worked with other entities to gather the trip information required by the Interim Order dated July 31, 2014 at Docket No. A-2014-2416127, and filed this information under seal for review by the Commissioners and advisory staff at the Commission who have duties to monitor Rasier-PA's compliance with *December 2014 Orders*. As this information constitutes a trade secret, Rasier-PA understands that the Commission will safeguard its confidentiality pursuant to the Commission's Procedures Manual and 52 Pa. Code 5.362. No further compliance is required by the *December 2014 Orders* with respect to this item.
6. Rasier-PA acknowledges that the Commission is authorized, pursuant to 66 Pa. C.S. §§ 331(a), 501 and 506, to inspect, audit and investigate any books, records and facilities of theirs and any affiliated entities as they relate to certificated services provided by Rasier-PA. Any reports or other documents marked as confidential will be treated according to existing Commission confidentiality practices and regulations. In September and October 2015, Rasier-PA successfully completed compliance reviews conducted in collaboration with the Commission's Bureau of Investigation and Enforcement.
7. Rasier-PA is following the tariff provided with the Compliance Plans on December 24, 2014, which was subsequently filed with the Commission on March 2, 2015. In the tariff, Rasier-PA describes its surge pricing policy during emergencies and natural disasters, noting its commitment to compliance with Pennsylvania's Price Gouging Act, 73 P.S. §§ 232.1 *et seq.*

**III. Conclusion**

Through this Third Quarterly Report, Rasier-PA has demonstrated continued compliance with every condition of the *December 2014 Orders*. If the Commission has any questions regarding any aspect of this Third Quarterly Report, Rasier-PA welcomes the opportunity to provide additional information. The Fourth Quarterly Report will be submitted on January 29, 2016.

Respectfully submitted,

Dated: October 29, 2015



Karen O. Moury  
BUCHANAN INGERSOLL & ROONEY PC  
409 North Second Street, Suite 500  
Harrisburg, PA 17101-1357  
(717) 237-4820

*Attorneys for Rasier-PA LLC*

**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 :

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).

**Via Email and First-Class Mail**

Lloyd R. Persun, Esquire  
Persun and Heim PC  
PO Box 659  
Mechanicsburg, PA 17055-0659  
[ph@persunheim.com](mailto:ph@persunheim.com)

Michael S. Henry, Esquire  
Michael S. Henry LLC  
2336 S. Broad Street  
Philadelphia, PA 19145  
[mshenry@mshenrylaw.com](mailto:mshenry@mshenrylaw.com)

Ray F. Middleman, Esquire  
Paul S. Guarnieri, Esquire  
Malone Middleman, P.C.  
Wexford Professional Building III  
11676 Perry Highway, Suite 3100  
Wexford, PA 15090  
[middleman@mlmpclaw.com](mailto:middleman@mlmpclaw.com)  
[guarnieri@mlmpclaw.com](mailto:guarnieri@mlmpclaw.com)

Justine Pate, Esquire  
620 S. 13<sup>th</sup> Street  
Harrisburg, PA 17104  
[justinel.pate@gmail.com](mailto:justinel.pate@gmail.com)  
Joseph T. Sucec, Esquire  
325 Peach Glen-Idaville Road  
Gardners, PA 17324  
[joesucec@comcast.net](mailto:joesucec@comcast.net)

Robert Bingaman  
Bureau of Technical Utility Services  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> floor  
Harrisburg, PA 17120  
[robingaman@pa.gov](mailto:robingaman@pa.gov)

David W. Donley, Esquire  
3361 Stafford Street  
Pittsburgh, PA 15204  
[dwdonley@chasdonley.com](mailto:dwdonley@chasdonley.com)

Samuel R. Marshall  
President & CEO  
The Insurance Federation of Pennsylvania, Inc.  
1600 Market Street, Suite 1720  
Philadelphia, PA 19103  
[smarshall@ifpenn.org](mailto:smarshall@ifpenn.org)

Dated this 29<sup>th</sup> day of October, 2015.



---

Karen O. Moury, Esq.