

Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCKET NO.: A-2014-2410269

**PETITIONER: YELLOW CAB COMPANY OF PITTSBURGH, d/b/a
YELLOW Z
1825 Liverpool Street
Pittsburgh, PA 15233**

**PETITION FOR WAIVER OF COMMISSION REGULATION
52 PA. Code §29.352 PURSUANT TO 52 PA. CODE §5.43**

To: Pennsylvania Public Utility Commission Harrisburg, Pennsylvania 17120

Petitioner, Yellow Cab Company of Pittsburgh, d/b/a Yellow Z (“Petitioner”), by and through its attorneys, Ray F. Middleman, Esquire, Paul S. Guarnieri, Esquire and Malone Middleman, P.C., does respectfully Petition the Public Utility Commission (“Commission”) to temporarily waive the two (2) year limitation for experimental service as set forth in 52 Pa. Code §29.352 and to extend Petitioner’s experimental rights as set forth at Certificates of Public Convenience A-639135 and A-2014-2410269, and in support thereof, sets forth as follows:

BACKGROUND

1. On March 13, 2014, Petitioner filed an application for approval of experimental service as a Transportation Network Service (“TNC”) utilizing an online enabled platform to connect passengers with qualified drivers.¹

¹ An amended application was filed on April 21, 2014.

2. The application was appropriately published in the Pennsylvania Bulletin and no protests were filed in opposition to such application.

3. On May 22, 2014, the Commission entered an Order (a true and correct copy of which is attached hereto as Exhibit "A") that provided, in part, as follows:

1. That the application be and is hereby approved, as amended, granting the following right:

To transport as a common carrier, by motor vehicle, persons in experimental service, originating or terminating within Allegheny County, Pennsylvania, excluding trips originating from the Pittsburgh International Airport.

The transportation is subject to the terms and conditions set forth herein.

2. That the applicant shall not engage in any transportation authorized by this order until the applicant has received a Certificate of Public Convenience from the Commission.

3. That a Certificate of Public Convenience shall not be issued until the following are submitted and approved by the Commission:

a. An updated acceptable self-insurance certificate from the Pennsylvania Department of Transportation.

b. An acceptable tariff establishing just and reasonable rates. Instructions for filing of a tariff can be found at:

www.puc.pa.gov/general/onlineforms/pdf/Initial_Tariff_Instructions.pdf

c. A detailed description of Yellow Cab's driver training program.

4. That the authority granted herein, to the extent that it duplicates authority now held by or subsequently granted to the applicant shall not be construed as conferring more than one operating right.

5. That upon compliance with the requirements hereinbefore set forth, a certificate shall issue evidencing the Commission's approval of the right to operate as above determined.

6. That in the event said applicant has not, on or before sixty (60) days from the date of entry of this order, complied with the requirements hereinbefore set forth, the application shall be dismissed without further proceedings in accordance with Commission regulations.

7. This certificate will be valid until abandoned, until two (2) years from the date of issuance, or until the Commission enacts regulations governing the new class of service, whichever occurs first.

8. The Commission may suspend the right to operate in experimental service if the service is provided in violation of the terms of this Order or our regulations. Additionally, we will continually review the service to ensure that it is necessary or proper for the service, accommodation, convenience or safety of the public.

(Exhibit “A” at 11-13).

4. Petitioner timely complied with the provisions of the May 22, 2014 Order.

5. On July 31, 2014, the Commission issued Petitioner a Certificate of Public Convenience for the additional right to begin to transport as a common carrier, by motor vehicle, persons in experimental service, originating or terminating within Allegheny County, Pennsylvania, excluding trips originating from the Pittsburgh International Airport. A true and correct copy of the Certificate is attached hereto as Exhibit “B”.

6. On April 24, 2015, Petitioner filed an Application at Docket No. A-2015-2478735 to amend its current experimental operating authority, for the additional right to transport persons, in experimental service, from points originating or terminating at the Pittsburgh International Airport. No protests were filed. To date, the Commission has not taken any action on the Petition. To avoid any overlapping authority, Petitioner agrees to limit the additional right to originate or terminate at the Pittsburgh International Airport to the same time period provided for in its operating rights at this Docket (July 31, 2016), plus any extension that the Commission may grant pursuant to this Petition.

7. The Commission’s Order of May 22, 2014, provides that the certificate of public convenience “... will be valid until abandoned, until two (2) years from the date of issuance, or

until the Commission enacts regulations governing the new class of service, whichever occurs first.” (Appendix "A", at 12, ¶ 7).

8. Similarly, PUC regulations provide that:

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. An application for a certificate or amendment shall state that it is an application for an experimental service. Holders of experimental certificates shall abide by this chapter except those which the Commission shall explicitly state do not apply. Holders of experimental certificates shall abide by an additional regulations or requirements, including informational and reporting requirements, which the

Commission shall stipulate upon granting the certificate. A certificate for experimental service shall be valid only until the service is abandoned, until 2 years have elapsed from the time the certificate was approved or until the Commission enacts amendments to this chapter pertaining to the new class of service represented by the experimental service, whichever event occurs first.

52 Pa. Code § 29.352.

9. Pursuant to the Commission’s Order of May 22, 2014, Petitioner’s Certificate of Public Convenience to operate in experimental service will expire on July 31, 2016, unless first abandoned or the Commission enacts regulations governing the new class of service, whichever occurs first.

10. The experimental TNC service provided by Petitioner has not been abandoned.

11. The Commission has not yet enacted regulations creating a new class of TNC service.

**JUSTIFICATION FOR WAIVER OF RULE AND EXTENSION OF
EXPERIMENTAL RIGHTS**

12. Commission regulations provide for the waiver of a regulation as follows:

A petition to the Commission for the issuance, amendment, waiver or repeal of a regulation must set forth clearly and concisely the interest of the petitioner in the subject matter, the specific regulation, amendment, waiver or repeal requested, and cite by appropriate reference the statutory provision or other authority involved. The petition must set forth the purpose of, and the facts claimed to constitute the grounds requiring the regulation, amendment, waiver or repeal. Petitions for the issuance or amendment of a regulation shall incorporate the proposed regulation or amendment.

52 Pa. Code §5.43(a).

13. Petitioner's experimental service will continue to satisfy the Commission's requirements outlined in 52 Pa. Code §41.14, as well as other applicable safety and insurance requirements.

14. Under the evidentiary criteria set forth in 52 Pa. Code § 41.14, the service must be responsive to a public demand or need, and the certificated carrier must possess the technical and financial ability to provide the service and to operate legally and safely. 52 Pa. Code § 41.14(a) and (b).

15. There continues to be a public demand or need for the TNC service being provided by Petitioner as evidenced by the following relevant statistical data:

- a. Petitioner has provided 49,496 trips since commencing service. (See Petitioner's cumulative quarterly reports attached hereto as Exhibit "C");
- b. The number of TNC trips provided by the Petitioner has steadily increased since service commenced. For example, in the five months of operation in 2014, Petitioner averaged 292 trips per month. In the first quarter of 2015, Petitioner averaged 1,286 trips (42 per day); in the 2nd quarter of 2015, the average increased to 2,010 trips (67 per day); in the 3rd quarter of 2015, the average increased to 4,154 trips (138 per day); and in the 4th quarter of 2015, the average increased to

4,892 trips (163 per day). In the first two months of 2016, Petitioner has averaged 5,500 trips per month (183 per day); and

c. The Commission has, since the granting of Petitioner's experimental rights, granted experimental TNC rights to Lyft, Inc. at Docket Nos. A-2014-2415045 and A-2014-2415047 and to Raiser-PA (Uber) at A-2104-2416127 and A-2014-2424608. Additionally, the Commission approved an application for experimental TNC rights by Airport Limousine Service, Inc., d/b/a Ztrip on March 8, 2016 at Docket No. A-2015-2464975. All of the aforementioned services are set to expire several months or years after Yellow Z's experimental rights would expire. This would remove a growing service provider from the marketplace and reduce the amount of competition for TNC service in the Pittsburgh marketplace – to the detriment of the riding public.

16. As noted by the Commission, Petitioner is “presumed fit to provide the service, possessing the technical and financial ability to provide the service and to operate legally and safely.” (See Exhibit “A”, at 7).

17. Petitioner has provided safe TNC transportation service. Drivers performing Yellow Z TNC service have not been involved in any accident involving death or personal injury.

18. Yellow Z continues to comply with the driver safety requirements of the Commission's regulations. All drivers hold a current, valid license and are at least 21 years of age. Petitioner obtains a driver history record and a criminal history record for each driver, and prohibits the use of alcohol or controlled substances. All vehicles are in compliance with

PennDOT and Commission inspection requirements, procedures and regulations, including mileage requirements.

19. Petitioner continues to maintain insurance, as a self-insurer, in the amounts required by 52 Pa. Code § 32.11.

20. While the Commission has not yet enacted regulations creating a new class of TNC service, both the Legislature and Commission have been addressing issues regarding TNC service and the creation of comprehensive guidelines and requirements for TNC service.

21. On August 28, 2014, the Commission conducted an *En Banc* Transportation Hearing to examine, *inter alia*, rules for Transportation Network Companies. Testimony and comments were offered by State Senator Wayne Fontana, State Representative Erin Molchany, State Representative Anthony Deluca, State Representative Mark Mustio, and representatives of Transportation Companies, Transportation Associations, the Philadelphia Parking Authority, the Insurance Federation of Pennsylvania Inc., the Pennsylvania Department of Insurance, and others.

22. Since the *En Banc* Hearing, numerous pieces of legislation have been introduced in the legislature addressing issues regarding Transportation Network Companies, including: PA S.B. 984, PA H.B. 1065, PA H.B. 1290, PA H.B. 2445, PA H.B. 2453, PA H.B. 241, PA S.B. 749 and PA S.B. 763.

23. It is clear that the “experimental service” (TNC) offered by Yellow Z, Lyft and Uber has become a primary means of transportation throughout Allegheny County and other parts of Pennsylvania. The new service has already become so entrenched that it is unlikely that it could be stopped at this point.

24. The aforementioned proposed legislation is at different stages of the legislative process. The Legislature has been occupied with other budgetary issues and has just begun to concentrate its efforts on the creation of new legislation dealing with TNC companies.

25. Petitioner's demonstration of a continuing need for the TNC service, together with pending legislative and the Commission's ongoing consideration of the regulation of TNC service justifies Petitioner's request to extend its experimental service rights until such time as the Legislature addresses the regulatory scheme for TNC companies or until such time as the Commission creates new regulations.


WHEREFORE, Petitioner, Yellow Cab Company of Pittsburgh, d/b/a Yellow Z, respectfully requests that the Pennsylvania Public Utility Commission temporarily waive the two-year limitation of 52 Pa. Code §29.352 so as to permit Petitioner to continue operating in TNC service until such time as the Commission or Legislature enacts new laws governing TNC service.

Respectfully submitted,

MALONE MIDDLEMAN, PC

Date: 3/17/2016

By:



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**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held May 22, 2014

Commissioners Present:

Robert F. Powelson, Chairman
John F. Coleman, Jr., Vice Chairman
James H. Cawley
Pamela A. Witmer
Gladys M. Brown

Application of Yellow Cab Company of Pittsburgh, Inc., t/a Yellow X, for the additional right to begin to transport, by motor vehicle, persons in the experimental service of Transportation Network Service for passenger trips originating or terminating within Allegheny County, Pennsylvania.

Docket No.
A-2014-2410269

ORDER

BY THE COMMISSION:

Before the Commission is an application for experimental service filed by Yellow Cab Company of Pittsburgh, Inc., t/a Yellow X (Yellow Cab). Yellow Cab currently holds authority from the Commission to provide call or demand service in Allegheny County. Yellow Cab seeks to amend its current operating authority to include experimental service for the transportation of persons originating or terminating within Allegheny County, excluding trips originating from the Pittsburgh International Airport.

The application was filed on March 13, 2014 and published in the Pennsylvania Bulletin on March 29, 2014. Protests were due to be filed by April 14, 2014. No protests



were filed. Therefore, we will consider this application under our procedures established at 52 Pa. Code § 3.381(c)(1)(iii)(A).¹

Background

Commission regulations delineate various types of motor common carrier passenger service, which include scheduled route service, call or demand service, group and party service, limousine service, airport transfer service, and paratransit service. 52 Pa. Code §§ 29.301-29.356. Each of those types of passenger service has unique characteristics that define the particular transportation mode. However, not all types of common carrier transportation fit squarely within these specified categories, as we recognized when we promulgated these regulations. Therefore, in order to accommodate a proposed transportation methodology not encompassed within the stated categories, the Commission regulations also provide for “experimental service”. The Commission’s regulations governing experimental service provide:

§ 29.352. Experimental service.

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. An application for a certificate or amendment shall state that it is an application for an experimental service. Holders of experimental certificates shall abide by this chapter except those which the Commission shall explicitly state do not apply. Holders of experimental certificates shall abide by an additional regulations or requirements, including informational and reporting requirements, which the Commission shall stipulate upon granting the certificate. A certificate for experimental service shall be valid only until the service is abandoned, until 2 years have elapsed from the time the certificate was approved or until the Commission enacts amendments to this chapter pertaining to the new class of service represented by the experimental service, whichever event occurs first.

¹ An amended application was filed on April 21, 2014 addressing some technical issues but did not materially expand the original application. Therefore, publication of the amended application was not required.

Yellow Cab's Application

1. In General

In Yellow Cab's application, it proposes a new experimental service called "Transportation Network Service." The service will be limited to transporting passengers by motor vehicle, originating or terminating within Allegheny County, excluding trips originating from the Pittsburgh International Airport. Yellow Cab will limit the fleet of experimental vehicles to 150 in service at any one time. Yellow Cab alleges that due to technological advancements with the use of smart phones, tablets, and the internet, with the concomitant development of "Apps," software and internet platforms, transportation services may now be scheduled via these devices. Yellow Cab states that its proposal would allow for a new class of service so that modern technology can be put to use in serving the transportation customer.

The new service would be provided by a "Transportation Network Company (TNC)," which is defined as a company which uses an online enabled platform to connect passengers with qualified drivers. The service would utilize the latest electronic and social media forums of communication, including Apps and internet platform reservation services. The primary vehicles used in the service will be owned by the operators/drivers and leased to Yellow Cab for specific periods of high transportation demand. The service would better meet the needs of the marketplace, which expands and contracts on a daily basis.

2. Drivers

Yellow Cab proposes that it will seek qualified operators/drivers for peak service times. It will execute short-term leases with the operators/drivers whereby the operators/drivers will lease their privately-owned vehicles to Yellow Cab for the duration

of the lease.² Yellow Cab will be legally and technically responsible for their operation. A copy of the lease will be carried by the operators/drivers in their vehicles while in service. The vehicles shall be marked with a PUC number and a standard trade dress via magnetic stickers. 52 Pa. Code § 29.71. The markings will be unique to allow identification of the vehicles in experimental service.

Operators/drivers will pay a fee to Yellow Cab. The service will be provided via a tablet or iPad device that will be supplied by Yellow Cab. Operators/drivers will be able to accept trips via internet dispatch or the App. There shall be no street hail.

Yellow Cab will ensure all operators/drivers adhere to the written lease agreement. Yellow Cab will ensure that all operators/drivers comply with applicable Commission driver regulations at 52 Pa. Code §§ 29.501-29.509. Additionally, Yellow Cab will require all operators/drivers attend its driver training classes. Yellow Cab will maintain control of the service and, as the certificated carrier, will have primary responsibility to deal with the Commission for any issues arising from the service.

3. Tariff

Yellow Cab will provide a tariff to the Commission. Rates will be based on time and distance or a flat fee. Distance and time will be computed by a GPS program. There will be no meter in the vehicle. The tariff will use a capped premium pricing model which will not be completely variable or subject to unconstrained surge pricing.

Passengers will be advised of the charge prior to hiring the vehicle. Payment of the fare will be made through credit card swipe technology, as provided to the

² Commission regulations governing operation of leased equipment are found at 52 Pa. Code § 29.101. Those provisions provide, *inter alia*, that vehicles used in certificated service must be owned or leased by the certificate holder and shall be under the direct control and supervision of the certificate holder.

operators/drivers on the tablet/iPad supplied by Yellow Cab. A cash payment option is also available. Upon booking a trip, the passenger will receive confirmation via email on the App, along with a photograph of the operator/driver and a vehicle description. The service will be exclusive to the passenger requesting the transportation.

4. Vehicles

The experimental service will be provided in vehicles with seating capacities of eight passengers or less, including the driver. Vehicles will comply with Commission requirements at 52 Pa. Code §§ 29.401-407 and will not be any older than eight (8) model years, as computed at 52 Pa. Code § 29.314(d). Vehicles will have less than 100,000 miles on the odometer. Yellow Cab will also inspect vehicles to ensure that they are clean and mechanically sound. Yellow Cab will limit the fleet of experimental vehicles to 150 in service at any one time.

5. Insurance

Yellow Cab will insure each vehicle. Insurance coverage limits shall comply with Commission regulations. 52 Pa. Code § 32.11. Yellow Cab will provide the operators/drivers with an insurance identification card. Yellow Cab currently self-insures its operations. 52 Pa. Code § 32.15. Further, consistent with the lease agreement, Yellow Cab's insurance will attach to the service from the time an operator/driver logs onto the system as available to provide service, until that driver logs off or until the last passenger is discharged, whichever is later.

6. Supporting Documentation

In support of its application, Yellow Cab has submitted supporting financial data evidencing its ability to provide the service. As for need, Yellow Cab has submitted verified statements supporting the proposed service. The verified statements evidence a potential need for the service throughout the requested service territory.

Discussion

1. In General

Yellow Cab's proposed experimental service involves the transportation of persons between points in Pennsylvania for compensation. As such, the experimental service constitutes common carrier service under the Public Utility Code and is subject to our jurisdiction. 66 Pa. C.S. §§ 102, 1102. That the proposed experimental service incorporates innovative technology does not change the fundamental character of the service, transportation for compensation. Therefore, the proposed experimental service will need to satisfy the Commission's requirements outlined in 52 Pa. Code § 41.14 as well as other applicable safety and insurance requirements.

2. Need/fitness

The proposed experimental service can be seen as an extension of existing motor carrier passenger transportation services, namely limousine and call or demand. However, we believe that sufficient differences exist to distinguish these existing motor carrier passenger transportation services from the proposed experimental service; the main distinguishing feature here is that Yellow Cab proposes to use an App-based technology to arrange the motor carrier passenger transportation service so as to allow for a wider ranging, faster and more user friendly scheduling of transportation services.

We are cognizant that in this era of rapid development of technological advances, the traditional regulatory framework may not fit neatly the potential transportation changes effected by those developments. Upon review, we agree that the service proposed by Yellow Cab is the type of new, innovative or experimental transportation service that qualifies as an experimental service under Section 29.352 of our regulations. 66 Pa. Code § 29.352. Moreover, it is incumbent upon the Commission to ensure that the regulatory structure is not a barrier to desirable changes in the transportation industry advanced by changes in technology. Upon review of the proposed service and the

documents submitted, we find that Yellow Cab has provided sufficient evidence to establish a public demand or need for the experimental service. Additionally, as a certificated carrier, Yellow Cab is presumed fit to provide the service, possessing the technical and financial ability to provide the service and to operate legally and safely.

3. Safety.

In regulating motor carrier passenger transportation service, the Commission has a fundamental duty to ensure driver integrity and vehicle safety for the service provided by each carrier. Regardless of the technology used on the carrier's business plan and means of operation, public safety remains fundamental to our regulatory oversight.

Our driver safety requirements at 52 Pa. Code §§ 29.501-08 provide, inter alia, that drivers hold a current, valid license and must be at least 21 years of age, that a carrier obtain a driver history record and a criminal history record for each driver, and prohibit the use of alcohol or controlled substances. Our vehicle safety requirements at 52 Pa. Code §§ 29.401-407 include, inter alia, equipment standards, compliance with PennDOT vehicle inspection requirements, and Commission inspection requirements and procedures. We find that Yellow Cab's application complies with all of these requirements.

Additionally, none of Yellow Cab's vehicles used for this experimental service may be operated with more than 100,000 miles on the odometer, as stated in the amended application. Also, Yellow Cab has committed to provide adequate training to its drivers, including formal driver education instruction. We find that these further provisions are reasonable and appropriate. Yellow Cab shall submit a detailed description of its training program to the Commission prior to initiating service.

4. Insurance.

As for insurance requirements, we stress that it is Yellow Cab, as the regulated utility, that must have acceptable evidence of insurance on file with the Commission. *Love-Diggs v. Tirath*, 911 A.2d 539 (Pa. Super 2006), *Metro Transportation Co., et al. v. Pa. Public Utility Commission, et al.*, 912 F.2d 672 (3rd Cir., 1990). Minimum required insurance under our regulations at 52 Pa. Code §32.11 must be provided. Accordingly, Yellow Cab may not operate unless evidence of insurance is provided to the Commission in compliance with Section 32.11 of our regulations. 52 Pa. Code § 32.11.³

Given Yellow Cab's status as a self-insurer and the expansion of its authority, we will require an updated self-insurance certificate from the Pennsylvania Department of Transportation to ensure that proper coverage is available. Under the terms of the lease agreement between Yellow Cab and the lessor/operator, insurance will be maintained by the operator for periods when the vehicle is not operated in certificated service.

Also, in order to avoid any confusion regarding the status of a driver's personal insurance coverage, we will require Yellow Cab to have all drivers notify their insurer, in writing, of their intent to operate as a lease driver. The notification shall confirm that insurance coverage will be maintained under the driver's personal insurance policy for all times when the vehicle is not engaged on behalf of Yellow Cab (from the moment the App is opened by a driver until the passenger is discharged or the App is closed, whichever is later.) Yellow Cab is required to maintain a copy of this notification for each driver during that driver's affiliation with Yellow Cab and for a period of three (3) years following termination of a driver's service. Additionally, Yellow Cab must notify drivers/operators, in writing, whether it is providing comprehensive and collision coverage during service. Yellow Cab must maintain copy of each notification for a

³ That provision requires a minimum of \$35,000 coverage for bodily injury, death, or property damage.

period of three (3) years following termination of a driver's service. Finally, Yellow Cab must provide insurance coverage from the moment the App is opened by a driver until the passenger is discharged or the App is closed, whichever is later.

5. Tariff.

We find that Yellow Cab's proposal regarding its tariff includes sufficient safeguards to protect the public interest. The tariff structure proposed by Yellow Cab is an adjustable pricing method based on time and distance or a flat fee charge. Yellow Cab also proposes that the tariff will use a capped premium pricing model (not a luxury service) which will not be completely variable or subject to unconstrained surge pricing. We find this proposal acceptable.

6. Record Keeping.

Because the service to be provided is experimental in nature, it is incumbent upon the Commission to monitor the operation of this new service to determine whether any problem areas exist and, ultimately, whether the experimental service can be made permanent. Therefore, the Commission will require Yellow Cab to maintain records for service containing the following information: the transportation date and time; the vehicle identification number providing the transportation; the identity and license number of the driver; the charge for the transportation; and the origination and destination of the transportation. The information may be retained in electronic format and must be maintained for three (3) years following the transportation date. All records are subject to Commission inspection.

7. Other Considerations.

We note that the proposal does require a certain amount of latitude regarding interpretation of the Commission's leasing regulations and our interpretation of issues surrounding this provision. Here we are approving an application to provide service

where the driver/operator is the vehicle owner. While we have historically frowned upon this structure to prevent abuses and to ensure accountability, we believe that in this instance, there is merit to the relaxation of the leasing prohibition. As our guiding principle, we want to ensure that the provision of service is done in a safe manner with appropriate insurance coverage. We believe that this goal can be achieved under the plan proposed. Additionally, we believe that the proposal will also serve our goal of ensuring the availability of service. In fact, the proposal is geared to address the issue of peak demand times for ground transportation services, a demand which currently exceeds available supply.

We will revisit the status of this experimental service regularly to determine its viability. Toward this end, we instruct Yellow Cab to provide our staff with the following information on a quarterly basis for the experimental service: (1) Number of trips per month; (2) Number and severity of accidents per month, including the damages involved and whether an accident involved bodily injury; (3) Number and type of customer complaints per month; (4) Number of Driver traffic citations per month.

8. Experimental Service/TNC's

We limit our decision today to the application before us. To be clear, while we understand that different TNC firms may have different business models, it remains essential that an applicant for experimental service must provide adequate documentation and protocols to ensure driver integrity, vehicle safety, and proper insurance coverage for the citizens of Pennsylvania. In addition, due to the unique nature of the service, a TNC must provide the Commission with a plan to ensure that its drivers are properly trained.

As we previously stated, our goal is to ensure technological advances inure to the benefit of Pennsylvanians. However, we must be vigilant to ensure that these changes have the intended results and promote the public interest.

Based on the foregoing, we find that it appropriate to grant Yellow Cab's application for experimental service. The service is subject to the terms and conditions as specified in this order. **THEREFORE,**

IT IS ORDERED:

1. That the application be and is hereby approved, as amended, granting the following right:

To transport as a common carrier, by motor vehicle, persons in experimental service, originating or terminating within Allegheny County, Pennsylvania, excluding trips originating from the Pittsburgh International Airport.

The transportation is subject to the terms and conditions set forth herein.

2. That the applicant shall not engage in any transportation authorized by this order until the applicant has received a Certificate of Public Convenience from the Commission.

3. That a Certificate of Public Convenience shall not be issued until the following are submitted and approved by the Commission:

a. An updated acceptable self-insurance certificate from the Pennsylvania Department of Transportation.

b. An acceptable tariff establishing just and reasonable rates. Instructions for filing of a tariff can be found at:

www.puc.pa.gov/general/onlineforms/pdf/Initial_Tariff_Instructions.pdf

c. A detailed description of Yellow Cab's driver training program.

4. That the authority granted herein, to the extent that it duplicates authority now held by or subsequently granted to the applicant shall not be construed as conferring more than one operating right.

5. That upon compliance with the requirements hereinbefore set forth, a certificate shall issue evidencing the Commission's approval of the right to operate as above determined.

6. That in the event said applicant has not, on or before sixty (60) days from the date of entry of this order, complied with the requirements hereinbefore set forth, the application shall be dismissed without further proceedings in accordance with Commission regulations.

7. This certificate will be valid until abandoned, until two (2) years from the date of issuance, or until the Commission enacts regulations governing the new class of service, whichever occurs first.

8. The Commission may suspend the right to operate in experimental service if the service is provided in violation of the terms of this Order or our regulations. Additionally, we will continually review the service to ensure that it is necessary or proper for the service, accommodation, convenience or safety of the public.

BY THE COMMISSION

A handwritten signature in cursive script, appearing to read "Rosemary Chiavetta".

Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: May 22, 2014

ORDER ENTERED: May 22, 2014

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17120

Re: Application of Yellow Cab Company of Pittsburgh, Inc., t/a YellowX, for the additional right to begin to transport, by motor vehicle, persons in the experimental service of Transportation Network Service for passenger trips originating or terminating within Allegheny County, Pennsylvania.

**Public Meeting held May 22, 2014
2410269-TUS
Docket No. A-2014-2410269**

**JOINT STATEMENT OF COMMISSIONER PAMELA A. WITMER
AND COMMISSIONER GLADYS M. BROWN**

Before the Commission today is an Application for experimental service filed by a division of Yellow Cab Company, known as Yellow X. This Application proposes a new type of service whereby Transportation Network Companies (TNC), such as Yellow X, will employ an online-enabled platform, or "App," to connect passengers to qualified drivers. The proposal by Yellow X paves the way for a new and innovative type of transportation service that uses modern technology to serve the traveling customer in Pennsylvania.

Commissioner Brown and I would like to take this opportunity to welcome Yellow X to the market. We are encouraged and excited about the potential for this type of service throughout the Commonwealth. Using App-based technology to connect passengers with drivers has the potential to revolutionize the transportation market and provide customers with more options for travel throughout Pennsylvania.

The TNC service proposed by Yellow X does not fit squarely within the types of transportation service delineated in our regulations. Accordingly, Yellow X filed for authority under the "experimental service" section of our regulations,¹ which is designed to accommodate a proposed transportation methodology not already encompassed by our regulations. Given the developing nature of the TNC marketplace, the Commission anticipates that Yellow X's Application for experimental service will be the first of many such applications. While Yellow X has chosen to structure its service in this manner, the PUC recognizes that there are many ways to provide TNC service and we look forward to considering various business models.

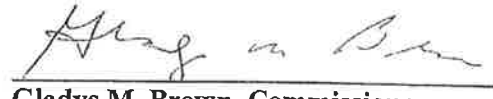
However, it is critically important to emphasize that as the agency charged with regulating motor carrier passenger transportation in the Commonwealth, this Commission has a fundamental duty when reviewing these applications for TNC service to ensure driver integrity, vehicle safety, and adequate insurance for the service provided by each carrier. Regardless of the technology used by a transportation provider, public safety remains fundamental to PUC oversight.

Certificates for experimental service, such as the one sought by Yellow X, are valid for two years or until the Commission amends its regulations to accommodate the new class of service represented by the experimental service. In the interim, the Commission will carefully track whether TNC service is serving the needs of the public in a safe and efficient manner. If that is the

¹ 52 Pa. Code § 29.352.

case, the Commission would then seek to institute a rulemaking, or if necessary, seek a legislative fix, to officially set forth the requirements for TNC service in Pennsylvania. In doing so, it will be incumbent upon the Commission to first and foremost ensure the safety of the traveling public. We would also strive to ensure that our regulatory structure is not a barrier to desirable changes in the transportation industry. Keeping these two goals in mind, the PUC is confident the market for TNC service will grow and thrive in Pennsylvania and provide great benefits to customers.


Pamela A. Witmer, Commissioner


Gladys M. Brown, Commissioner

DATE: May 22, 2014

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

IN THE MATTER OF: A-639135

*Application of Yellow Cab Company of Pittsburgh, Inc., t/a Yellow X, for the additional right to begin to transport as a common carrier, by motor vehicle, persons in experimental service, originating or terminating within Allegheny County, Pennsylvania, excluding trips originating from the Pittsburgh International Airport.
A-2014-2410269*

EFFECTIVE DATE: July 31, 2014

The Pennsylvania Public Utility Commission hereby certifies that after an investigation and/or hearing, it has, by its report and order made and entered, found and determined that the granting of the application is necessary or proper for the service, accommodation, convenience and safety of the public and hereby issues to the applicant this **CERTIFICATE OF PUBLIC CONVENIENCE** evidencing the Commission's approval to operate.

In Witness Whereof, The PENNSYLVANIA PUBLIC UTILITY COMMISSION has caused these presents to be signed and sealed, and duly attested by its Secretary at its office in the city of Harrisburg this 31st day of July, 2014.


Secretary



RE: Yellow Cab Company of Pittsburgh, t/a Yellow Z

Docket No. A-2014-241026

Cumulative Quarterly Reports

Month	Number of Trips	Number of Accidents	Severity of Accidents	Bodily Injury	Customer Complaints	Driver Citations
08/2014	18	0	N/A	No	0	0
09/2014	111	0	N/A	No	0	0
10/2014	272	0	N/A	No	0	0
11/2014	425	0	N/A	No	0	0
12/2014	638	0	N/A	No	0	0
01/2015	1158	0	N/A	No	0	0
02/2015	1199	1	Hit Parked Car*	No	0	0
03/2015	1501	0	N/A	No	0	0
04/2015	1362	0	N/A	No	0	0
05/2015	2068	0	N/A	No	0	2
06/2015	2602	0	N/A	No	0	0
07/2015	3284	0	N/A	No	0	1
08/2015	4124	0	N/A	No	0	2
09/2015	5055	0	N/A	No	1**	0
10/2015	4893	0	N/A	No	0	0
11/2015	5053	0	N/A	No	0	0
12/2015	4732	0	N/A	No	0	0
01/2016	5317	0	N/A	No	0	0
02/2016	5684	0	N/A	No	0	0
Total	49,496	1		None	1	5

*** Front Quarter Panel Damage totaling \$1,916.**

**** Customer complained that driver used incorrect route.**



VERIFICATION

I, James D. Campolongo, 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 to be able to prove the same at a 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: 3-17-16

YELLOW CAB COMPANY OF PITTSBURGH

BY:



James D. Campolongo, President

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 First-Class Mail

Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Bureau of Investigation & Enforcement
P.O. Box 3265
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17105-3265

Office of Small Business Advocate
Commerce Building
300 North Second Street, Suite 202
Harrisburg, PA 17101

Dated: 3/17/2016


Paul S. Guarnieri, Esquire