

John F. Povilaitis
717 237 4825
john.povilaitis@bjpc.com

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

October 31, 2016

VIA E-FILING

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

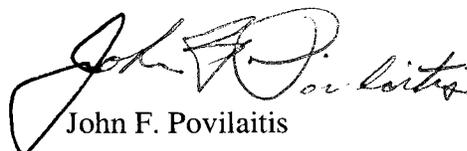
Re: Rasier-PA LLC Compliance Plan – Seventh Quarterly Report
Nos. A-2014-2416127 and A-2014-2424608

Dear Secretary Chiavetta:

On behalf of Rasier-PA, LLC (“Rasier-PA”), I am electronically filing the Rasier-PA LLC Compliance Plan – Seventh Quarterly Report that is due today, regarding the above-captioned matters. No substantive changes have been made to the Sixth Quarterly, which was filed on July 29, 2016. Through this Seventh Quarterly Report, Rasier-PA demonstrates its continued compliance with the conditions and requirements imposed by the Commission in its Orders entered on January 29, 2015 and December 5, 2014 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,


John F. Povilaitis

JFP/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 – Seventh 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.¹ Under the experimental transportation network services approved by the *January 2015 Order*, the public connects to drivers who provide prearranged rides using the Uber Technologies, Inc. (“UTP”) 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.

¹ On February 27, 2015, Rasier-PA filed an Application for authority to provide experimental transportation network services in these excluded counties in Pennsylvania. *Application of Rasier-PA, LLC*, Docket No. A-2015-2469287. Hearings are currently scheduled in this matter on December 15, 2016.

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 submitted its Second Quarterly Report on July 23, 2015, its Third Quarterly Report on October 29, 2015, its Fourth Quarterly Report January 29, 2016, its Fifth Quarterly Report on April 29, 2016, and its Sixth Quarterly Report on July 29, 2016, describing continued compliance with each condition, as discussed below. As shown by this Seventh Quarterly Report, Rasier-PA continues to remain in 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 3.² 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, and on April 15, 2015, 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:

² 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.

- 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.
- 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.* Rasier-PA 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 Rasier-PA. Employees or contractors of Rasier-PA, or its affiliates, are responsible for the review and disposition of each driver 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 existing 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 Public Website
 - (5) Social Security Trace (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 Public Website.
- (2) Individuals are automatically disqualified from being a driver if they have been convicted of violent crimes, sexual offenses or felonies in the past 3 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
 - Felony 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.* Following authorization by the individual, Rasier-PA or its third party contractor accesses the applicant's motor vehicle records from the state of licensure, including Pennsylvania Department of Transportation ("PennDOT").
- 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
- (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 (“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 through criminal history and driver history checks 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.* Employees or contractors of Rasier-PA, or its affiliates, review the new documents, including the inspection sticker and the vehicle identification number, to verify that they are correct, current and compliant with applicable laws and regulations.
 - 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 an employee or contractor of Rasier-PA, or its affiliates, 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 continuous 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 onboarding 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:³
 - 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.
 - c. Rasier-PA maintains verifiable records thereof for three years.

4. *Markings.* Rasier-PA requires each driver to place a 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 placards are 4 inches by 4 inches in size and printed with the UTI logo on glossy cardstock. Each driver is given a placard, along with instructions to affix them to the front windshield on the

³ 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.

passenger's side of the driver's vehicle, and to use them when they are logged into the App, available to pick up passengers and during the course of the trip.

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. Rasier-PA filed its assessment report showing its 2015 gross intrastate operating revenues on March 30, 2016.
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 7821 Bartram Avenue, Philadelphia, PA 19153. Rasier-PA updated this contact information with the Commission's Secretary on January 5, 2016.
5. Rasier-PA worked with other entities to gather the trip information required by the Commission's 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. Although no further compliance is required by the *December 2014 Orders* with respect to this item, Rasier-PA notes that this data was publicly disclosed by UTI in a Petition for Rehearing and Reconsideration filed with the Commission on May 25, 2016, at Docket No. C-2014-2422723.
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 in the Philadelphia suburbs, Rasier-PA successfully completed compliance reviews conducted in collaboration with the Commission's Bureau of Investigation and

Enforcement (“I&E”). In December 2015, Rasier-PA provided access to additional records for review by I&E. Further compliance reviews were successfully completed on June 13, 2016 in Pittsburgh, July 12, 2016 in Erie, and July 22, 2016 in State College.

7. Rasier-PA filed a revised tariff on January 14, 2016 (Experimental-Pa.P.U.C. No. 2), which contains all of the components required by the Commission’s *December 2014 Orders*. In addition to updating the address on the cover page, the revised tariff modified the tariff filed on March 2, 2015 to: (i) note that rates are calculated on the basis of distance and/or time; (ii) identify other costs that may be included in the rate, such as safe ride fees, booking fees, delivery fees, tolls, airport pickup fees, applicable taxes and/or regulatory and compliance costs; (iii) indicate that flat fees may be charged for any trips; (iv) more fully describe when dynamic or surge pricing goes into effect; and (v) change references from surge pricing to dynamic pricing. In the revised tariff, Rasier-PA describes its dynamic 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 Seventh 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 Seventh Quarterly Report, Rasier-PA welcomes the opportunity to provide additional information. The Eighth Quarterly Report will be submitted on January 31, 2017.

Dated: October 31, 2016



John F. Povilaitis
Alan Michael Seltzer
BUCHANAN INGERSOLL & ROONEY PC
409 North Second Street, Suite 500
Harrisburg, PA 17101-1357
(717) 237-4820

Counsel for Rasier-PA LLC

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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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 E-Mail and First-Class Mail

Lloyd R. Persun, Esquire
Persun and Heim PC
PO Box 659
Mechanicsburg, PA 17055-0659
lrpersun@persunhamlin.com

Michael S. Henry, Esquire
Michael S. Henry LLC
100 S. Broad Street, Suite 650
Philadelphia, PA 19110
mshenry@sghlawgroup.com

David W. Donley, Esquire
3361 Stafford Street
Pittsburgh, PA 15204
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

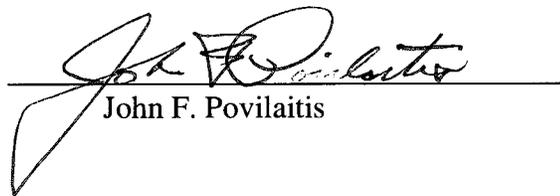
Justine Pate, Esquire
620 S. 13th Street
Harrisburg, PA 17104
Justinel.pate@gmail.com

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
guarnieri@mlmpclaw.com

Joseph Sucec, Esquire
325 Peach Glen-Idaville Road
Gardners, PA 17324
joesucec@comcast.net

Robert Bingaman
Bureau of Technical Utility Services
Pennsylvania Public Utility Commission
Commonwealth keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120
robingaman@pa.gov

Dated this 31st day of October, 2016.



John F. Povilaitis