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February 27, 2015

VIA E-FILING

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

Re: Application of Rasier-PA LLC, a Wholly Owned Subsidiary of Uber Technologies, Inc. for a Certificate of Public Convenience Evidencing Approval to Operate an Experimental Ride-Sharing Network for Passenger Trips Originating or Terminating in the Counties of Beaver, Clinton, Columbia, Crawford, Lawrence, Luzerne, Lycoming, Mercer, Montour, Northumberland and Union; Docket No. A-2015-

Dear Secretary Chiavetta:

On behalf of Rasier-PA LLC, I have enclosed for electronic filing the Application regarding the above-captioned matter.

Sincerely,



Karen O. Moury

KOM/bb
Enclosure

**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 :
Approval to Operate an Experimental Service of : Docket No. A-2015-
Shared-Ride Network for Passenger Trips :
Originating or Terminating in the Counties of :
Beaver, Clinton, Columbia, Crawford, Lawrence, :
Luzerne, Lycoming, Mercer, Montour, :
Northumberland and Union :

APPLICATION

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

I. INTRODUCTION

1. By this Application, filed pursuant to 52 Pa. Code § 29.352, Rasier-PA LLC (“Applicant” or “Rasier-PA”), a wholly owned subsidiary of Uber Technologies, Inc. (“Uber”), requests the issuance of a certificate of public convenience evidencing approval to operate an experimental service of shared-ride network for passenger trips originating or terminating in the Counties of Beaver, Clinton, Columbia, Crawford, Lawrence, Luzerne, Lycoming, Mercer, Montour, Northumberland and Union.

2. Uber is registered as a foreign business corporation with the Pennsylvania Department of State at Corporation Bureau Entity Identification Number 4105162.

3. Applicant is a limited liability company organized under the laws of Delaware and is registered as a foreign limited liability company in Pennsylvania with the Department of State at Corporation Bureau Entity Identification Number 4262217.

4. Travis Kalanick is the Manager of Applicant and the only member of the limited liability company.

5. Applicant does not intend to utilize a trade name.

6. Rasier-PA's physical and mailing address is:

109 South 13th Street
Philadelphia, PA 19107

7. Rasier-PA's attorney is:

Karen O. Moury (PA ID No. 36879)
Buchanan Ingersoll & Rooney PC
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8. Rasier-PA holds authority to operate an experimental service of shared-ride network for passenger trips between points in Allegheny County. *Application of Rasier-PA LLC*, Docket No. A-2014-2416127 (Order entered December 5, 2014). A certificate of public convenience was issued on January 29, 2015.

9. Rasier-PA also holds authority to operate an experimental service of shared-ride network for passenger trips between points in Pennsylvania, excluding the Counties of Allegheny, 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. *Application of Rasier PA LLC* ("statewide application"), Docket No. A-2014-2424608 (Order entered December 5, 2014) ("*December 5 Order*"). A certificate of public convenience was issued on January 29, 2015.

II. DESCRIPTION OF SERVICE

Area of Service

10. Applicant proposes to operate an experimental service of shared-ride network for passenger trips (“transportation network services”) originating or terminating at points in the Counties of Beaver, Clinton, Columbia, Crawford, Lawrence, Luzerne, Lycoming, Mercer, Montour, Northumberland and Union, which were previously excluded, in whole or in part, from its statewide application.

11. Applicant proposes to use a digital platform to connect passengers to independent driver partners (“drivers”) with whom Applicant will contract. Drivers will use their own personal, non-commercially licensed vehicles for the purpose of providing transportation services. Applicant plans to license the Uber technology to match passengers who need transportation services with the drivers. Applicant does not own vehicles or employ drivers.

Defining the Service

12. Under Applicant’s proposal, passengers request transportation via Uber technology through the Internet or a mobile application (“App”) on their smartphones or other devices. When a driver responds to the request, the passenger receives the vehicle type and a photo of the driver, along with an indication of the driver’s current location and estimated time of arrival. Drivers may not solicit or accept street hails.

13. Applicant will disclose the fare calculation method, the applicable rates being charged, and the option for the passenger to obtain an estimated fare before booking the transportation. Upon completion of a trip, an electronic receipt will be transmitted to the passenger’s email address or App documenting the details of the trip and contact information for the Commission that may be used to file a complaint.

Basis for Proposal

14. Technology has enabled Rasier-PA to offer innovative services to passengers in Allegheny County and throughout Pennsylvania that are not available from traditional transportation providers. By relying on a digital platform, Applicant is able to efficiently and economically connect passengers with drivers. Through Applicant's proposed service, passengers in counties now excluded from Applicant's statewide certificate will have access to safe, reliable and affordable transportation alternatives that fill voids in the existing infrastructure. On a daily basis, Applicant receives requests from passengers throughout Pennsylvania for these services to be provided in their areas, including those that were previously excluded from Applicant's statewide application. Those areas are in as much need of adequate transportation options as the other parts of Pennsylvania. Further, having the ability to more freely move throughout Pennsylvania would benefit the Applicant and the riding public.

15. In addition, Applicant's proposed services are responsive to consumers who wish to have a choice about the way they are transported. The availability of Applicant's services in the specified counties would allow passengers to request transportation services through the Internet or App rather than by street hail or telephone, which many passengers find to be convenient and preferable to traditional taxicab service.

16. In moving to approve Rasier-PA's applications to operate in Allegheny County and throughout Pennsylvania, Pennsylvania, Chairman Powelson and Commissioner Witmer noted that "[t]he pervasive use of smart phones and the Internet in our society has revolutionized various sectors of our economy" and that transportation network companies "are altering the space traditionally occupied by taxicabs" in an innovative way that fosters new technologies for

the benefit of the traveling public. See *Combined Joint Motion* of Chairman Robert F. Powelson and Commissioner Pamela A. Witmer (Motion adopted November 13, 2014).

17. Adopting the *Combined Joint Motion* of Chairman Powelson and Commissioner Witmer, the Commission found that the services are responsive to a public demand and need and recognized that substantial benefits will be derived from the initiation of its competitive service. Specifically, the Commission observed, “[w]e agree that the introduction of the proposed transportation service will provide consumers with another competitive alternative to traditional call and demand service by providing faster and user-friendly scheduling of transportation service. The availability of this new and innovative service, together with appropriate consumer protections, will provide a benefit to the public.” *December 5 Order* at 26-27. The Commission also highlighted the compelling societal benefit to consumers who are blind or visually impaired.

18. Given the Commission’s findings in the *December 5 Order* about Applicant’s services being responsive to a public demand and providing compelling societal benefits, Rasier-PA respectfully requests that the Commission, in reviewing this Application, expressly forego from the outset the typical requirement for an applicant to submit verified statements or evidence of individual need for the proposed service, such as outlined in the Commission’s regulations at 52 Pa. Code 3.381(c)(iii)(A)(III) or the Commission’s policy statement at 52 Pa. Code § 41.14(a).¹ This approach would be consistent with the Commission’s *December 5 Order* where it noted that the Commission may exercise discretion in regard to market entry for a proposed service that is new and innovative. *Id at 26*.

19. Moreover, the Commission has already recognized in the households goods moving industry the value of deferring to the market place as to whether new services are

¹ Rasier-PA suggests that the Commission could implement this approach by noting in the publication in the *Pennsylvania Bulletin* that only protests raising issues regarding fitness may be filed regarding this Application.

needed. Eliminating the outdated and lengthy application process in the household goods moving industry that has considered the effect of new entrants on existing carriers, the Commission touted the benefits of increased competition, customer choice and job creation. *Final Rulemaking Amending Regulations Applicable to Household Goods in Use Carriers*, Docket No. L-2013-2376902 (Order entered June 19, 2014). Those laudable goals are equally beneficial to the transportation network services industry.

20. In proposing this additional service, Raiser-PA intends to fully comply with the requirements and conditions established by the *December 5 Order*, as further detailed in the compliance plan filings approved by the Commission's Order entered on January 29, 2015 ("*January 29 Order*"). To that end, Raiser-PA expressly adopts herein by reference the compliance plans filed on December 24, 2014 and supplemented on January 5, 2015 and January 9, 2015. Raiser-PA's specific proposals concerning insurance, driver integrity and vehicle safety are more fully addressed below.

III. INSURANCE

21. Raiser-PA will fully comply with the *December 5 Order*, as further discussed in the compliance plan filings and as approved by Order entered on January 29, 2015 ("*January 29 Order*"), as follows:

- a. *Stage 0*. Raiser-PA will require drivers to provide proof of valid and current liability insurance on the vehicle to be used in offering transportation network services in the amounts specified in 75 Pa.C.S. §§ 1702 and 1711. This coverage is applicable to Stage 0, when a driver is operating his or her own personal vehicle and the App is closed. During the driver sign-up process, Raiser-PA will require 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 will maintain verifiable records thereof for three years in electronic format.

- b. *Stage 1.* For Stage 1, when the driver opens the App is and is logged on to the system, Applicant will submit to the Commission proof of primary liability insurance evidencing policies and coverage at levels consistent with the Commission's regulations at 52 Pa. Code §§ 32.11(b) and 41.21.
- c. *Stage 2.* For Stage 2, which is after the driver receives and accepts a ride request and while the driver travels to pick up the passenger, Applicant will submit to the Commission proof of primary liability insurance coverage in the amount of \$1,000,000, in a form that is consistent with and exceeds the minimum standards required by the Commission at 52 Pa. Code §§ 32.11 and 41.21.
- d. *Stage 3.* For Stage 3, which is after the driver picks up the passenger, while the driver drives the passenger to the destination and until the passenger exits the vehicle, Applicant will submit to the Commission proof of primary liability insurance coverage in the amount of \$1,000,000, in a form that is consistent with and exceeds the minimum standards required by the Commission at 52 Pa. Code §§ 32.11 and 41.21.
- e. *Notifications to Drivers.* During the driver sign-up process, Rasier-PA will inform drivers, in writing through electronic notification, of the primary liability insurance coverage it has obtained, whether it is providing comprehensive and collision coverage to drivers, and that in the event of an accident during Stages 1,

2 or 3, drivers shall produce evidence of Rasier-PA's insurance. Rasier-PA will maintain verifiable records thereof for three years in electronic format.

IV. **DRIVER INTEGRITY**

22. Rasier-PA will require drivers to meet standards that are consistent with and significantly more stringent than the Commission's requirements set forth in 52 Pa. Code §§ 29.502-29.507, in a manner that is consistent with the *December 5 Order* and the *January 29 Order*, as described below:

- a. *Criminal Background Checks.* Rasier-PA will conduct a local and national criminal background check that includes the Multi-State/Juris Criminal Records Locator and the National Sex Offender Registry database on each driver before the driver may access the digital platform to receive requests for transportation and on an annual basis thereafter. A match on the national sex offender registry or a conviction that appears on a criminal background check within the past 7 years for crimes of violence, sexual abuse, felony, robbery, or felony fraud, shall automatically and permanently disqualify an individual from acting as a driver. Rasier-PA will maintain verifiable records thereof for two years.
- b. *Driving History Record.* Rasier-PA will conduct a driving history record on each driver before the driver may offer service and on an annual basis thereafter. A conviction that appears on a driving history check within the past 7 years for aggravated reckless driving, driving under the influence of drugs or alcohol, hit and run, attempting to evade the police, or the use of a motor vehicle to commit a crime, or a conviction that appears on a driving history check in the previous 3 years for driving with a suspended or revoked license, shall automatically

disqualify an individual from acting as an driver. Rasier-PA will maintain verifiable records thereof for three years.

- c. *Drugs or Alcohol.* Rasier-PA will have a zero tolerance policy on the use of drugs or alcohol while and driver is providing transportation services. Notice of this zero tolerance policy is on both the Rasier-PA and Uber websites, along with procedures 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 ride. Rasier-PA will immediately suspend a driver upon receipt of a passenger complaint alleging a violation of the zero tolerance policy, and such suspension will last the duration of Rasier-PA's investigation. Rasier-PA will maintain verifiable records thereof for three years.
- d. *Other Driver Requirements.* Drivers will be required to possess a current, valid driver's license, proof of registration, proof of motor vehicle insurance and be at least 21 years of age.

V. **VEHICLE SAFETY**

23. Rasier-PA will require drivers' vehicles to meet standards that are consistent with the Commission's requirements, particularly as to safety, in a manner that is consistent with the *December 5 Order* and the *January 29 Order*, as described below:

- a. *Inspections.*
 - i. Rasier-PA will require vehicles operated by drivers to undergo and pass an annual and comprehensive safety inspection before the vehicle provides a ride-sharing service, which is consistent with the Commission's

requirements at 52 Pa. Code §§ 29.402 and 29.405. Such inspections must be performed by an official inspection station and comply with Pennsylvania vehicle laws and regulations at 75 Pa. C.S. Chapter 47 and 67 Pa. Code §§ 175.61-175.80 (“PennDOT inspections”), including but not limited to suspension and steering components; braking systems; tires and wheels; lighting and electrical systems; and horns and warning devices.

- ii. Rasier-PA will inform drivers during the sign-up process that they are responsible for ensuring that their vehicles remain in compliance with these standards.
 - iii. Rasier-PA will require drivers to provide evidence of the successful completion of PennDOT inspections on an annual basis.
 - iv. Rasier-PA will mandate that drivers resolve any deficiencies identified by enforcement officers during inspections conducted under the Commission’s regulations or noted by customers through the rating system, responses to email receipts or complaints.
 - v. Rasier-PA will deactivate a driver from the platform who fails to provide evidence of the successful completion of annual PennDOT inspections or who fails to rectify any safety-related deficiencies with their vehicles.
- b. *Vehicle Age and Type.* Drivers contracted by Rasier-PA will be required to use motor vehicles that are not more than eight years old² and are designed to

² Rasier-PA is aware that Section 29.314(d) of the regulations is the subject of a final rulemaking order which, if approved, will revise the eight-model year requirement to ten model years for conventional vehicles or twelve model years for alternatively fueled vehicles. See *Final Rulemaking Order in Vehicle List, Age and Mileage Requirements for Taxis and Limousines*, Docket No. L-201302349042 (Order entered November 19, 2014). If this rulemaking is

transport no more than 10 persons, including the driver. Thirty days prior to vehicles reaching eight model years, Rasier-PA will provide a notification to drivers that their vehicles need to be replaced. In the event such vehicles are not replaced, Rasier-PA will deactivate the driver from the platform until such time as he replaces his vehicle. Eligible vehicles include street-legal coupes, sedans, or light duty vehicles including vans, minivans, sport utility vehicles, hatchbacks, convertibles and pickup trucks.

- c. *Vehicle Markings.* Rasier-PA will require each driver to place a “U” placard in a plastic sleeve and affix it to the front windshield on the passenger side of the driver’s vehicle, which is clearly visible from the outside of the vehicle at all times while operating in Stage 1, 2 or 3, consistent with 52 Pa. Code §§ 29.71 and 29.72. These placards are 4 inches by 4 inches in size and printed with the Uber logo on glossy cardstock. Each driver is given a placard and a plastic sleeve, along 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. *Other Vehicle Requirements.* Vehicles will be required to be in a condition that meets or exceeds the standards set forth in 52 Pa. Code § 29.403, including seats in working order; vehicles in clean and sanitary condition; factory type heaters in working order; clean trunk compartments suitable for carrying luggage; exteriors free of large dents or gouges; four matching wheel covers; and operative air conditioning.

finalized during the pendency of this application, Rasier-PA requests that the Commission confirm its applicability to Rasier-PA.

VI. OTHER REQUIREMENTS

24. Rasier-PA will maintain a website that provides a customer service telephone number or email address.

25. Rasier-PA will maintain verifiable records to demonstrate compliance with all of the requirements, standards and obligations described in this Application.

26. Rasier-PA will maintain verifiable records for service for a period of two years after the service was provided including: trip information (date, time, origination, destination and fare); vehicle information under 52 Pa. Code § 29.314(c); and the identify and driver's license number of all drivers.

27. Rasier-PA will comply with the accident reporting requirements of 52 Pa. Code § 29.44 by providing telephonic notification to the Bureau of Technical Utility Services' Transportation Division within 24 hours of an accident resulting in the death of a person; and maintaining records of any accident that results in a police report for a period of one year.

28. Rasier-PA understands that it is subject to an annual assessment based upon reported gross Pennsylvania intrastate revenues.

29. Rasier-PA further understands that it has sole responsibility to address Commission-related passenger complaints and that a failure to adhere to the commitments made in this Application may result in the Commission imposing sanctions, including civil penalties, suspension and revocation of the certificate of public convenience.

30. Rasier-PA is not currently engaged in unauthorized intrastate transportation for compensation between points in the counties specified in this Application and will not engage in such transportation unless and until such authorization is received from the Commission.


VII. WAIVER OF REGULATIONS

31. If this Application is approved, Raiser-PA requests that the Commission waive the applicability of the regulations identified in the *December 5* and *January 29 Orders*.

VIII. CONCLUSION

WHEREFORE, Rasier-PA LLC respectfully requests approval of this Application.

Respectfully submitted,



Karen O. Moury
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409 North Second Street
Suite 500
Harrisburg, PA 17101
(717) 237-4820

Attorneys for Rasier-PA LLC

Dated February 27, 2015

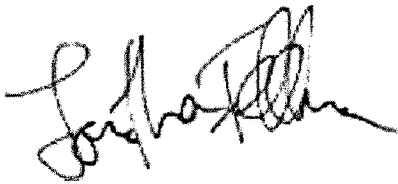
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VERIFICATION OF APPLICATION

I hereby verify that the statements made in this application are true and correct to the best of my knowledge and belief. The undersigned understands that false statements herein are made subject to the penalties of 18 Pa.C.S. Section 4904 relating to unsworn falsifications to authorities.

Rasier-PA LLC
Jonathan J. Feldman, Manager-Uber Pennsylvania



(Signature)

February 23, 2015