

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Robert Ely</b>	:	
<b>Complainant,</b>	:	
	:	
<b>v.</b>	:	<b>Docket No. C-2016-2571984</b>
	:	
<b>Rasier-PA LLC</b>	:	
<b>Respondent.</b>	:	

**REPLY TO ANSWER AND NEW MATTER  
OF RASIER-PA LLC**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Robert Ely, Complainant responds to the Answer and New Matter filed November 15<sup>th</sup>,2016 on Behalf of Rasier-PA LLC (Rasier) as follows:

1. Admitted
2. Admitted.
3. **It is denied that the Company provides motor carrier services. On the contrary, the company provides transportation network company (TNC) services under and accordance with all lawful authorizations previously provided by and received from the Commission.**

Denied. ALJ denied Rasier Experimental Authority which the Commission (PUC) reversed by granting Rasier the A. No.(s)/ Certificates of Public Convenience. The PUC explicitly stated that Rasier was indeed a motor carrier, and granted them such authority- without which- I could not (and would not) have placed my vehicle in service on behalf of Rasier.

“In the *December 2014 Order*, we rejected the Petitioners’ arguments, finding that the Code does not require the Applicant to own vehicles in order to be a motor carrier. Specifically, we determined that the definitions of transportation “public utility,” “common carrier,” and “common carrier by motor vehicle” convey the opposite position that transportation service can be offered indirectly or independent

of actual ownership. Additionally, we explained that Rasier-PA, by utilizing the Uber software and back office functions, **was unquestionably offering and operating “on demand” motor carrier passenger service to the public. December 2014 Order at 20.”**

4. **The Company is without information or knowledge sufficient to form a belief as to why the Complainant checked the box next to the word “Other” on the Formal Complaint form, and demands proof thereof, if relevant at hearing.**

Denied. I Am a Consumer of the technology provided by Rasier's Authority Found at A-2014-2424608 and as such, I paid for the right to operate as a “virtual” small carrier of passengers and paid a commission for the right to do so. I am aggrieved primarily because of the change of rates per mile in Rasier's standardized, one-sided, unconscionable and unenforceable updated contract. This instant and immediate change in the price I paid for the utility provided to me by rasier, lest I decline to use the utility, (which was my sole source of both profit and income under the previous terms) – caused me financial harm, anguish, mental duress and suffering for no good reason other than the malfeasance of a multi-billion dollar company looking to expand it market share, increase its profits and game the system it has manipulated to conduct business in PA. Choosing the “other” box on the provided Formal Complaint form allowed me to state my grievances with this “experimental” utility to the best of my ability.

The “other” box was appropriate because the monies taken from my completed fares is what I paid Rasier-PA-LLC as a consumer of their technology and the necessary use of their Motor Carrier Authority to be legally allowed to pick up passengers for compensation in PA.

**Restatement of typographical error on my part.**

- A) **“This formal complaint should be construed as one representing all of Uber's partner/drivers.**

Should have said:

This formal complaint should be construed as one representing all of Uber's **Pennsylvania** partner/drivers **“interests”**.

My apologies for leaving the two words **Pennsylvania** and **interests** out. I thought that it was implied that as the PUC's only jurisdiction is Pennsylvania Intrastate transportation that I could leave Pennsylvania out. I have clarified that issue below:

The original contract between Rasier and myself, as stated above, was standardized and allowed me to squeak out a tiny profit, if my labor was set at \$0 per hour. The new contract made it all but impossible to earn any profit or actual compensation for the time that I put in as a driver. Because I was an Uber driver/retail consumer of the Utility provided by Rasier

in Pennsylvania, I represent myself, and not ALL of the millions of uber drivers around the globe (as apologized for above). Addressing this Formal Complaint of exploitation, misrepresentation of potential compensation, bonuses, and earnings and the drastic negative and one-sided disproportionate decrease in compensation forced upon me by an unconscionable contract also represents the interests of all others in PA that e-signed the Driver's side of the same standardized contract.

### **EXHIBIT A**

Please look to **exhibit A** for conclusions of law and fact pertaining to their similar standardized contract and policies and conduct of rasier as a public utility and how poorly they treat the drivers in other states because of these contracts are forced to be e- signed (usually on the small screen of a cell phone) and agreed to or the utility consumer (driver) is denied access the to the utility service as provided by Rasier.

This type of forced e-signatory for a consumer to “agree” to a rate increase for access to a utility is unconscionable and egregious. Imagine if the Utility was instead “water” and the consumer was a farmer. The farmer would pay almost any amount for water in order to grow his crops or face financial ruin. For Uber Drivers that left their jobs as cab drivers to driver for Rasier, especially those like myself, that invested in equipment (a newer car) and used the unique opportunity granted by the PUC and touted by Uber and its shills with a sign on bonus with decent rates and commission structures a way to make “life changing money” and other such promotions, we indeed “bet the ranch” on our ability and skills to use the authority and leads provided to us by Rasier to earn a living. The “bait & switch” with respect to the contract and rates leave drivers with a 40% decrease (Originally \$1.75 per “loaded” mile – Now \$1.05 per loaded mile) per paid or loaded mile, and getting to and from customers are always unpaid miles. Rasier's spin said we would be “busier” due to increased demand, and make more money “per hour”. Driving more miles for less money per mile increases expenses and results in a greater net loss for the owner of the equipment. The new contract in PA left me and other drivers a terrible position. Accept the gun rasier held to our heads, or “let our crops die”. Most drivers are too invested to quit and took the bad deal while looking for a way out. **Exhibit A** shows as proven in a court of law, that these contracts are unenforceable and depicts how very exploited owner-operators are.

As drivers have an investment in autos and provide the labor, and waiting time between fares-

we are the common carriers providing the transportation of passengers.

The experimental part of this class of service is not the technology, but the UNPRECEDENTED use of passenger vehicles as stated upon the granting of authority by waiving the sections of 52 PA code that :

a) require CALL OR DEMAND certificate holders to own and control operation of their vehicles.

and

b) Common carriers of passengers must pay drivers as employees in accordance with PA/Federal minimum wage requirements and other pertinent conditions – EXCEPT in “taxi” otherwise known as call-or-demand service. ( allowing a driver to lease a taxi for a flat fee) 52 PA Code “alternative forms of compensation”

which

c) Does not allow drivers to lease their own cars to a common carrier of passengers.

And Tariffs

d) Do Not Allow Cleaning Fees

e) Allow A broker of transportation to allow vehicles without their own certificate, proper plates and registrations and other items to operate in intrastate transportation of passengers. As all Uber PA drivers are granted authority to operate as the common carrier in experimental service via PUC compliance through Rasier, driver/partners are not yet classified as employees or as independent contractors. If not employees then we are “virtual” small carrier of passengers as classified by PUC. Standardized one-sided contracts promulgated by Rasier make my grievances and complaint the same as the other 33,000 PA Rasier drivers- as evidenced recently in the news, these issues may be world-wide.

**B) It is admitted that the Company and approved drivers split an allocated portion of revenues generated from the TNC services provided via the Company's platform. The revenue allocation and all other terms and conditions governing the relationship between the Company and drivers are provided to all drivers before the relationship is established and finalized. In addition, driver participation in the Company's TNC service platform is entirely voluntary, albeit subject to terms and conditions fully provided to and known by all drivers prior to the execution of the relevant documents. To the extent that there is such an implication, it is specifically denied that drivers are in any way coerced into the relationship. *{can we say anything more about how the compensation system works and how fair it is?}***

Denied. The Revised Standardized contracts delivered as “an offer we (drivers) can't refuse” was found unenforceable in CA, the state Rasier/Uber wants the PA Rasier drivers to defend themselves in ! See Exhibit A in its entirety as it defines the legality and nature of the situation far better than I can.

Rasier has shown profit and market share at the driver's expense is the company's mission. If I am granted a hearing, I am fully prepared to show exactly how their system has exploited 33,000 drivers to become a destructive and highly profitable business- to the detriment of other existing carriers, at the expense of the drivers and eventually the entire public transportation system.

Rasier sardonically asks – **{can we say anything more about how the compensation system works and how fair it is?}**

No, you haven't stated anything at all about the compensation system, other than implying that a driver that had to click a button to digitally agree to TERMS required to drive for Uber and that rasier has the right to take drivers to court and drivers need to pay to arbitrate in California.

(more on this same subject in following answers)

**C) After reasonable investigation, the Company lacks knowledge or information sufficient to form a belief regarding allegations that (I) the commission allows the Company to “bend” regulations and rules. (ii) the assertions regarding Internal Revenue Service rules and deductibles and (iii) the number and frequency of “return pick-ups” as used in the paragraph and demands proof, thereof, if relevant, at hearing. {can we anything more concrete about the accuracy of the alleged pricing}**

Denied. Upon my investigation of which rule(s) were bent- to reply here, the plethora of regulations that were in fact **waived** to Rasier's benefit, causing the creation of a barely regulated, egregiously destructive “transportation terrorist” pyramid network created by these same waivers of long-standing regulations (which were created to protect drivers and the public) have lead to unparalleled exploitation of owner/operators, who assume all of the risks while working at or below tax deductible allowances, (with no/minimal compensation for our time) at the detriment of Existing Certificate holders, The riding public, PA insurance companies, PA motorists, PA taxpayers, US taxpayers, motor clubs, and buyers of used “Uber” cars unknowingly buying used taxis.

**{can I say more about whom is subsidizing rasier's operations?}**

My layperson's use of the word “bend” the regulations referred to the waiving of the following portions of 52 PA Code:

## **EXHIBIT B**

**“Bent Rules”- as waived by PUC to allow Certificate to Rasier**

**23.32 Inclusion of all rules affecting rates.**

1. Waiving this regulation allows Rasier to charge what they want, when they want, to whom they want, however they want. Anti-competitive as no other carrier is afforded this luxury. Being able to charge below the cost of maintenance most of the time and then being able to charge significantly more in times of demand allows Rasier to make large profits, dominate the marketplace and “economically force” its drivers to work during those peak times to cover their actual losses incurred from driving when at “normal rates”.
2. Having no rules, rates or regulations allows rasier to give “free” rides at will, (unlawful for all other carriers and brokers) to encourage use of the APP, and as a “rebate” to cause all customers to become salespeople. This is an unfair economic advantage that needs to “bent” straight to level the playing field. Having rules and regulations about tariffs, rates and method of charges protects the riding public and returns the power of enforcement to the PUC.

### **23.64 Data required in filing increases in operating revenues**

All other carriers must prove operating revenue to raise rates. Waiving this regulation allows rasier to reap profits and add fees at will. Because the drivers are the motor carriers according to rasier and the PUC, maybe it is time to look what the drivers operating revenues look like.

1. Balance sheets are used to provide proof of income/loss. To legitimize increases.
2. The truth would be set free here- the book value of the property of the carrier devoted to passenger transportation via a balance sheet- as the drivers are owners of the bulk of such property- at \$5,000 per car x 33,000 drivers- \$165 million (or more) has been put up “for risk” with minimal reward by the citizens of PA that are trying to squeak out a profit using Rasier's platform- By having rasier comply here- it is an economic barometer that would be used to show how the owner operators have most of the “skin” in this game, while rasier is merely a shell company used to protect the parent company and shift the enormous profits thru a delaware corporation (minimal taxation- none going to the state of PA) into the bankroll of Multinational “Uber” through “Application Licensing” which would be defined and quantified as a legitimate expense rasier via the use of all of the conditions in 23.64
3. Proving this here would put on paper how much money is passed through to the parent company.
4. Does not apply as Uber owns no vehicles. This would be the only requirement here that would justify being waived. Rasier had the PUC throw the bathwater (the rest of these regulations here) out with the baby because of this section.
5. This section, if not waived, would prove to the PUC how and where income is derived and what their true operational costs are. By knowing this it could according raise the assessment charged Rasier to offset the huge costs incurred with litigation to grant the experimental license, and the tremendous future costs borne by the state relating to compliance, enforcement and promulgation of regulations to protect the interest of the drivers and the public.
6. Compliance here also will show the truth behind the numbers. And all other carriers must comply- why shouldn't an experimental one escape from its responsibility of

transparency as a certified Public Utility?

7. All other Utilities must submit this what makes rasier different?
8. Delineating territory is important, and must be supplied for flat rate pricing- rasier cannot be allowed to be able to charge higher rates in some areas of PA then others- this rule stops “redlining” and abuse of certain segments of the population.
9. Transparency to prove solvency and a need for an increase.
10. These numbers have been corrupted by Rasier in several ways- which I can prove at a hearing- These numbers are important because they will show, when compare with payment to owners/operators how much per mile the drivers earn per mile, on average.  
  
The true mileage is in excess of “on app” mileage and way more than double the mileage of the “paid miles” (when customer is in car)
11. Transparency.
12. Transparency, may not apply until later.
13. I'm sure the press, the public and other carriers would love to have transparency here-Rasier would say “it's a trade secret” - really all it is proof to see if rates are fair.
14. Transparency.
15. Transparency.

#### 23.67 **Financial Data**

- a. Another “rasier only”(waiver) exception that allows rasier to operate in the dark, and prevent the PUC from being able to determine the true value to the public and whether or not they are exploiting drivers and/or the general public via standard accounting.

The waiver to this regulation is unfair to the public because it allows rasier to cloak it's financials.

#### 29.62 **Interruptions of service**

Waiving this regulation allows rasier to “sometimes service” areas that are rural (most of PA) and generally permits rasier to drop customers off from urban areas to rural areas, and leave those passengers “stranded” in rural areas with minimal or no other services to give them a return trip. Other carriers would be fined or otherwise penalized for doing the same thing.

Allowing this to occur is unconscionable- rasier needs to make provisions for people that find themselves in an area where “No Uber-x is available”. I personally, in my taxi, have picked up stranded passengers that Uber dropped in Rural areas, without informing them that 99% of the time return service is not available. In the instances where these passengers were stranded outside my territory going further outside my territory, I had to apologize and explain that I am not legally allowed to perform the service.

Rasier can spend a few days making arrangements with other carriers like myself – to be able to inform THEIR stranded passengers that while Rasier/Uber does not have car in the area, that X , Y or Z covers that area.

Rasier has had 2 years to figure out and compile data pertaining to where the bulk of their

cars are and owes it to the public to provide numbers of other carriers (at minimum) in rural areas, or just exclude those areas from its territory to prevent passengers from getting stranded. Most small carriers like myself are more than happy to go and get passengers we drove to rural destinations for their return trip back into our territory. Few carriers are willing to drive many miles and “hope” that the passenger will be there when they arrive.

In short, if Rasier doesn't or hasn't provided a reasonable modicum of service in an area, the PUC should know about it and either fine Rasier or remove that segment of the market from Rasier and allow the existing carriers to service them.

#### **29.101 Operation of leased equipment**

Waiving this regulation is unconscionable. Uber is allowed to do things that other motor carriers cannot. It is unfair to allow an Uber owned company lease a car to a driver, then have the same driver operate at or below cost under another Uber affiliate (Rasier) with the driver ending up as a “slave” to Uber on several levels. If need be I can provide example and details of how waiving these regulations allow Rasier and Uber to destroy their motor carrier competitors on free labor provided by owners/operators/lessees of vehicles provided by an Uber affiliate.

Uber's providing of cars, on terms, to the drivers with guaranteed payment deducted out of compensation due the driver allows Uber/Rasier to provide cars to be used by its drivers with all of the expenses, costs and interest borne by the driver, and yet another profit center afforded Rasier by the “bending” of these regulations.

This regulation should be in effect and a new regulation that simply stipulates that TNC's are allowed to have driver's use their own cars- subject to all applicable regulations.

#### **29.315 Alternative forms of compensation**

Waiving of this regulation permits Rasier, with impunity, to thwart the systems in place to PROTECT the unwitting driver from being taken advantage of. Grossly unfair to force all other carriers to actually PAY their drivers or Lease their cabs to drivers in urban areas where they can work the streets and earn real money by hustling.

This waiver needs to be removed and the PUC needs to make each driver a small carrier of passengers through Rasier's authority and register or otherwise create a system like FHV's in the City of New York. (see Uber's web site for instructions on how to be a driver in NYC), furthermore, upon being proactive and creating a system like the one the TLC in NYC created, I it would allow other carriers to become “bases” and let people with their own cars operate them for “bases” that would actually allow the driver to make a decent living.

If need be, I will travel to Harrisburg and help the PUC navigate through the creation of such a system to benefit the drivers and the public, and CREATE revenue for the cities, state and federal government, while generating enough revenue to cover costs of implementation, enforcement and provide absolute proof that a driver is both qualified and his car is properly insured, thus protecting the public 100% at all times.

#### **29.316 Tariff requirements**

Bending this rule is also unfair to all other carriers, the riding public and is not necessary for Rasier to legitimately operate a TNC. As mentioned in the other tariff related waiver(s) it removes the power from the PUC to enforce against abuse of the riding public by allowing Rasier to be the only carrier to charge what it wants, to whom it wants, at will. This is a freedom no carrier should have. It is a license to “steal” from the hard working public that need transportation.

### 29.317 Accounting requirements for alternative forms of compensation for drivers.

It is unclear how Rasier comes up with a driver's total miles required on a regular log sheet. As an Uber driver, I know that in the beginning, drivers miles listed on the App were only "Paid" miles and many drivers used only those miles when figuring out expenses for tax purposes because they are not required by the PUC to keep a log. Using less than half of the miles driven as a deduction against the old commission and mileage rate had drives showing a profit, when in reality they may not have actually had one, resulting in a temporary, short term overpayment of taxes to the IRS, and convincing drivers, on paper, that they earned more money than they actually did.

Since the rate / mileage decrease, Uber- Rasier has sent me (and every other driver) an "APP" that teaches drivers how to account for ALL business expenses and purports to be able to allow many drivers to have a "\$0" tax liability. Again, this new perception allows the driver to believe the money he was paid by Rasier is "profit" or "income"- specifically inferring that the "money" they made was in some way non-taxable.

I find this spin most egregious because the owner operator puts it all at risk and has a \$0 or close to zero tax liability because he has not made a profit, any money that driver took in was basically an advance on "deferred maintenance" of his vehicle. Most part time drivers won't feel the pain of costly repairs and maintenance until after Rasier's time period of experimental licensure is up and they have a permanent authority.

To prevent drivers from operating for free or below cost of operation the PUC needs to implement these rules without a waiver and create a modification to protect the drivers who have made the investments of time and labor to provide the services for the consumers.

### 29.318 Consumer Information

This could be provided on the Rear of the Uber Placard- and have easily be used to file complaints. There needs to be a provision to allow the PUC to know what is going on in these TNC vehicles.

### 29.402 Vehicle Equipment requirements

Waiving of this regulation may allow Uber/Rasier to use roof top lighting, stating "Uber" which I have seen and do not appreciate as the The sole purpose for this would be to appear like a taxi and create an opportunity for an owner/operator to be in position to accept a street hail- This waiver needs to be removed, as it WILL put the riding public in a car with no insurance and leave both the driver and his passengers and other motorists with little to no recourse in the event of a catastrophic accident and no insurance coverage as street hails are "off-app". There is NO benefit to the public for this waiver to exist.

Ok, Rasier, now you have knowledge and information on the regulations that the PUC waived during this two year period, and you have a layman's explanation of my exploitation and the causal nexus which gives me standing and bolsters my Formal Complaint. **{can I say more about how waiving the regulations in this experiment has turned the transportation business upside down and exploited all of the drivers who operate(d) on behalf of Rasier?}**

Denied. As shown in EXHIBITS A , B - Rasier in fact uses every bit of leverage from waivers to traditional rules that have been proven for decades- combined with machiavellan measures to convince drivers to pony up their time, effort and biggest or only asset (their car) on the implied assumption that they will turn a profit and earn money. As an independent contractor an uber

driver like myself, risks it all and has nary a chance to earn (under the “new” contract see comparisons, EXHIBIT D) even the minimum wage to compensate his time and risk. The conditional guarantees and terms/ conditions/methods of operation proffered by uber have constituted rasier as an employer in many other states (CA for example) and countries (UK) for example. Uber and Rasier's dogged pursuit of market share and enormous profits on the backs of it's employees (in PA, as yet undetermined status, as “Owner/operators”) with complete and utter disregard for regulations protecting the safety and good of the public have had them banned from countries like Germany and South Korea. See this link: for more information and verification.

[https://en.wikipedia.org/wiki/Uber\\_protests\\_and\\_legal\\_actions](https://en.wikipedia.org/wiki/Uber_protests_and_legal_actions)

### EXHIBIT C

#### Protests and Legal Action

**D) (Rasier's answer restated here) After reasonable investigation, the Company lacks knowledge or information to form a belief regarding alleged “guarantees” and allegations that drivers using the Company's digital platform are “forced to operate at below cost” and demands proof thereof, if relevant at hearing.**

IRS proof of deductible at 57.5c per mile.

**IRS.gov Publication 463: *Standard Mileage Rate***

**You may be able to use the standard mileage rate to figure the deductible costs of operating your car for business purposes. For 2015, the standard mileage rate for the cost of operating your car for business use is 57.5 cents per mile.**

As Rasier did not dispute the numbers I presented as changed from the original contract to the new lower rates pressed upon me as a driver, I will use them here in conjunction with the indisputable proof of IRS deductible at 57.5 cents per mile as taken from IRS Publication 463 above. See:

### EXHIBIT D Operating at a loss.

**E) After reasonable investigation, the Company lacks knowledge or information to form a belief regarding the allegations relating to actual or potential Commission conduct in connection with drivers using the Company's digital platform, insuring that drivers “earn a living wage cost” or alleged comparisons with tariffs of taxis or paratransit operations in Pennsylvania and demands proof thereof, if relevant at, hearing.**

Denied.

I argue that the PUC has absolute jurisdiction, control and discretion with regards to ALL things motor carrier related as pertaining to PA intrastate transportation. The PUC has given rasier the benefit of the doubt, miles of room, and an almost unregulated platform with which to operate during the past 21 months. My suggestion of using the average tariff rates of all similar PA motor carriers combined to use as a starting rate schedule for time, increment, miles accomplishes several things, among one of them, leveling the playing field for other carriers.

Uber drivers like myself are forced into working with rates that can change at anytime for any reason based upon the whims of a multi-billion dollar, multinational enterprise. It has been proven here, by me that each and every uber driver in PA is using both the technology and the authority granted to rasier by the PUC to be able to operate as “virtual” small carrier of passengers. Rasier is entitled to make money for providing the rights to us individually. However, we, as individual motor carriers, whether virtual or individually certificated have the right to show a profit for our investment of time, for our investment in equipment, for the use of our vehicles and as in every other class of motor carrier, in this state, entitled to a profit by the PUC- including driver's pay and ALL operational expenses- to ensure constant operation of a public utility- given that the information required to set rates is given to the PUC by the motor carrier as defined in many of the “waived” operating ratio, revenue and Tariff regulations shown above at “C”.

Rasier can argue all it wants that I may be stating “conclusions of law”- I say that I am stating Fact – These waived regulations empower the PUC, to protect the Riding Public, the drivers, taxpayers , other motorists, the whole transportation industry as well as any industry or business

impacted by the waiver of these regulations for the sole benefit of Uber, via Rasier which has a proven track record of manipulating the system not only in PA, but worldwide (EXHIBIT C). Long before Uber, and it's word-wrangling contortion of the rules to create an unregulated gypsy car service there were others that attempted similar ventures, which caused regulating authorities like the PUC to create laws to protect its citizens from overcharging, abuse, price-gouging and other nefarious and destructive practices. The difference in the smoke and mirrors here, through the haze of “experimental authority” is in convincing everyone that it is ok for uber to create tremendous hidden profit by providing a public service using someone else's time, labor and equipment without adequately providing just compensation to the providers of same said services.

**F) It is specifically denied that the Company is in any way exploiting drivers that voluntarily choose to enter into a business relationship with the Company and to utilize the company's digital TNC services platform. On the contrary, the Company treats its drivers in a fair and reasonable manner and provides them information from which they can make a reasonable and informed choice about whether to use the Company's digital TNC platform.**

Denied. As I explained thus far, Uber uses subsidiaries that exploit drivers in almost every state, province or jurisdiction that regulates the transportation industry .

[https://en.wikipedia.org/wiki/Uber\\_protests\\_and\\_legal\\_actions](https://en.wikipedia.org/wiki/Uber_protests_and_legal_actions) EXHIBIT C

1. Drivers, after signing up, had the terms governing their compensation switched to have

them operate at a loss any time there is no “surge” price. Uber tried to convince the drivers that they would make more per hour because they would be busier due to lower prices. If gas was free and the drivers did not supply their own cars this lie could possibly be true. Driving more customers results in more miles, for less money per mile, which may in fact add up to more “gross” dollars coming in, but according to generally accepted accounting principles, the operating costs rise per dollar of revenue, and in fact the owner operator is losing money at a faster rate. The only way for an operator to utilize those extra dollars coming in would be by avoiding doing repairs or maintenance. Deferred maintenance saves money today but costs more over the long term, but that isn't uber's problem, it is again, another liability and expense that the unwitting driver incurs.

2. Uber owned by Travis Kalanick. is the multi-national technology company that licenses its “APP” to 135 Rasier's of the world, also owned by Travis Kalanick. Uber also operates leasing companies owned by Travis Kalanick/Uber.

Travis owns it all. A holding company is established to incur expenses and transfer revenue to the tax haven. Each subsidiary has licensed the technology, and as a licensee or 'franchise' obtains authority to operate a transportation business. In PA, Travis K. owned a brokerage, and all of Rasier and Rasier PA-LLC, as well as Uber.

#### **EXHIBIT E “Shell Game”**

See chart included below for ease and simplification of how this all works.

ALL revenue generated by Rasier-PA-LLC is funneled out of state into Uber Technology presumably through Rasier – PA LLC's user licenses, support and compliance, etc. with no PA state corporate income tax to be paid (Delaware corporation). Who knows which foreign tax havens Uber Technology uses to minimize taxes/incur expenses or avoid or eliminate US Corporate income taxes? **{can I say more on this un-american activity? If need be I can research and provide more information!}**

As EXHIBIT E shows in detail how only 1.4% of the revenue of ALL non-US “rasiers” is accounted for, the US based Uber must cover 50% of expenses, thus creating a write off of foreign profits against any legitimate “US” Rasier/Uber taxable income.

**“Shell Game” is not limited to Foreign operations and avoidance of tax liability.**

Rasier LLC – Rasier-PA-LLC’ - Uber Technologies

Legally different entities, owned by, (again) Travis Kalanick. One will be dissolved prior to Paying

Millions in PA PUC Fines for operating illegally in Pennsylvania. Illegal “uber” intrastate transportation was performed for Uber via Rasier LLC while owned by Travis Kalanick., they operated prior to approval to build a customer base to apply and create a demand for Travis Kalanick.'s PA Authority via Rasier-PA-LLC.

<b>UBER TECHNOLOGIES, Inc.</b> (Travis Kalanick's US based technology company)		
<b>Rasier LLC (throw away co.)</b>	<b>Rasier- PA LLC (operating co.)</b>	<b>Gegen LLC (broker/back up)</b>
Operated illegally	Delaware Bases	Used to break into the territory
Never Applied for authority	Pays no PA Corporate tax	Operated legally, so far
Owes millions in PA Fines	Pays unspecified licensing and consulting fees to “Uber”	Back up for Rasier PA-LLC in event that brokerage license was necessary and denied rasier pa llc
Will likely go bankrupt or be dissolved before paying fines	Pays Uber's affiliated and “wholly owned” companies for third party services, etc.	Got them in the door and operating as a traditional broker using Uber technology.
Was set up to test marketplace.	Does not have to show revenue or expenses to PUC- (waiver)	With no issues Uber technology APP as an authorized as a broker, the use of common carriers was ok.
Used to attract attention. Used to avoid paying fines for unlawful operation of “Uber” in PA.	Can operate at a technical loss and have “0” assets in the event of catastrophic lawsuit or negligence.	Gegen LLC business model could be used for Uber if the PUC “privately owned passenger vehicle use waiver” was extended to brokers.

As shown and evidenced in exhibits provided, allowing Rasier Permanent Authority without significant regulatory protection- will allow Rasier to take advantage of drivers, take advantage of customers, and by debasing the taxi and transportation industry, the many millions of dollars that used to feed our Local Pennsylvania Economy (in taxable wages and transportation company profits) will be funneled out of state thru Delaware, and used to offset tax losses and expenses generated overseas, as per the “shell game” article by Forbes in EXHIBIT E.

This is simply untrue as evidenced in most exhibits presented, Uber has more than 173 lawsuits pending, which would number in the thousands, maybe tens or hundreds of thousands, world-wide if the unenforceable, unconscionable and one-sided standardized contracts that were signed by the individual driver (and much weaker party) under

duress of losing income/assets were not forced arbitration contracts. See Exhibit A ,C,D and F

### **EXHIBIT F Exploitation of Drivers**

**G) To the extent that the allegations in this paragraph are not deemed to be legal conclusions to which no response is required herein, after reasonable investigation, the Company lacks knowledge or information to form a belief about what other unnamed states are doing with respect to livery, registration and insurance and the options that may be available or unavailable to drivers looking to use TNC services in Pennsylvania and demands proof thereof,if relevant at a hearing.**

Denied. In the next section (H) I state that the ride-sharing premise is a lie, and here- in (G) Rasier's counsel responds with another actual lie.

The principal of Rasier is also the Principal of Uber, and Uber's wholly owned subsidiaries have lost several important cases in other states relating to these issues, particularly Driver/Employee status in California. As Uber has a website that describes what must be complied with in ALL states/jurisdictions it serves, it is IMPOSSIBLE for the Applicant, Principal and/or the Company to have NO knowledge or information to form a belief on these issues. The very fact that Uber's website lists compliance terms and has filed and obtained the rights to operate in other jurisdictions (like NYC) avers that application(s) for those rights were completed and even signed by the Principal of Rasier, Travis Kalanick as he signed the Application for Authority in Pennsylvania. **{Can I say any more on the subject of Uber lies? I will at the hearing, I promise- and that's NOT a lie}**

My complaint is based on my experience and belief that I could earn a living based on Rasier's original contract with me, it was reasonable, and I (like thousands of others in PA and elsewhere) made a choice to invest in a later model car to provide services on behalf of rasier-pa-llc. The same situation that the parties in Exhibit A experienced with Uber's subsidiaries happened to me.

My personal experience and observation of how Uber must comply in other states (using my 20 years experience as a NY & NYC TLC car and limousine owner/operator and FHV "car service" manager) in providing an example of how TNC's are compelled to properly operate elsewhere in Jurisdictions that had experimental services similar (NYC's FHV) which were adapted to accommodate TNC's to serve the public. The point is/was that because there was no other option for me in PA (along with many others) my choice was sign and suffer

a lower compensation package and lose money, or sell my car.

Is it possible that counsel could twist the truth any more here? Please look at Uber's web site for NYC. Exact information on how to driver for Uber, changing “bases” and obtaining a drug test prior to obtaining a TLC driver's license and an age compliant vehicle MUST have commercial insurance or the TLC will not allow them to operate. Uber has several “bases” they use to comply and operate in NYC. It is a known fact that Travis Kalanik owns Uber Technologies and Rasier-PA-LLC’. As Travis Kalanik is principal of Rasier-PA-LLC’, who is counsel asking to do the investigating? A janitor? Rasier has few if any actual employees here, and they have to be kidding to state any of the response given above. Uber's huge profits come from knowing exactly what the drivers options are in a bad economy. Once drivers signed up and bought a compliant car, in PA they are stuck with the deal because many have to make heavy car and insurance payments and now are compelled to work harder to make the payments or lose the car and ruin their credit. **{Is there any greater coercion than financial loss, loss of most drivers' single biggest asset, a destroyed credit rating that will carry heavy penalties and related expenses for decades? Can I say more on the subject of the devastation that could be caused if one has their car repossessed for missing payments?}**

FYI, counsel- it took 20 seconds to look this up on the internet{**Can I say anymore about the quality scope or depth of Rasier's investigative effort to answer this Complaint? Maybe as a technology company they don't have internet access?**}

California also requires its driver to have commercial plates and commercial insurance.

<http://www.latimes.com/business/technology/la-fi-tn-dmv-uber-lyft-sidecar-20150123-story.html>

**H) Admitted in part and denied in part. To the extent that the allegations in this paragraph are not deemed to be legal conclusions to which no response is required herein, it is specifically denied that the Company has lied to or in any way mislead or financially exploited actual or potential drivers seeking to utilize the Company's TNC services digital platform or utilizes drones as pleaded in this paragraph. It is further denied that any activities conducted by the company have risked the lives of passenger, motorists or pedestrians. It is admitted that the Company has previously announced some services in connection with autonomous vehicles, but such services are consistent with applicable law and regulation in Pennsylvania. After reasonable investigation the Company lacks knowledge or information sufficient to form a belief about any multifaceted lie associated with ride-sharing and demands proof thereof, if relevant, at hearing.**

DENIED. Proof of exploitation provided. Definition of Exploitation found below.

1. Counsel states Rasier doesn't coerce drivers to stay after radically decreasing their earning opportunities through an e-signed contract update that forces drivers to be off platform until they digitally agree to terms- which as shown in exhibit A, that drivers may not even understand, and many of which never even read as the long contracts are displayed on a tiny mobile phone screen.

Exploitation:

**the action or fact of treating someone unfairly in order to benefit from their work.**

"the exploitation of migrant workers"

synonyms: taking advantage, [abuse](#), [misuse](#), ill-treatment, unfair treatment, [oppression](#)

"the exploitation of the poor"

I believe I have only scratched the surface of the level of exploitation of drivers here and look forward to digging deep for a hearing on the matter.

2. Proof of drone use. Corresponding web link provided.

EXCERPT FROM:

<http://triblive.com/news/allegheeny/11383487-74/driving-self-uber>

Uber riders who opt in to the company's pilot can ride in a self-driving car through Downtown and surrounding neighborhoods. The autonomous rides are free.

Uber's pilot of self-driving cars hasn't been without a few bumps and scratches. The company was looking into an Oct. 18 crash Downtown in which it appeared another car rear-ended a self-driving Uber. In September, reports surfaced of a self-driving Uber driving the wrong way on a street in Oakland and another on the side of a road after a minor fender bender.

Apparently nobody at the Company reads the newspaper. Because Rasier states in this answer that (italicized) ***“it is further denied that any activities conducted by the Company have risked the lives of passengers, motorists or pedestrians”***

If Rasier does not own the autonomous cars in the article above, who does? Proof of registration, passenger plates or commercial license plates and certificate of public convenience and specific owner-driver pursuant to Application and Compliance with Order December 5 must be met if owned and operated by Rasier-PA-LLC, if owned by another person, that person must have had a criminal background check, proof of inspection and insurance in order to man the drone? If owned by anyone else and operate by any other division, satellite, subsidiary or affiliate, then that party is in violation of 52 PA Code for operating without a Certificate.

Someone is responsible under the Moniker Uber, here, for allowing these vehicles to be on the public streets in Pennsylvania, and whomever it was violated the 52 PA Code 29, in several ways. Someone did, and I'm pretty sure the PUC has to investigate and find out which “Uber” is responsible for subjecting the public to potential harm either with or without a certificate. If Rasier doesn't think that having autonomous cars going the wrong way down a one way street isn't risking the lives of pedestrians or children playing in the street that would rarely look down the wrong way of a one way street to cross, or that there is no risk to passengers or other motorists as reported above, THEN obviously rasier is UNFIT to obtain a permanent Authority, as proof of ability to operate safely is definitely lacking based on this publicly available information.

**5) The averments contained in this paragraph constitute a prayer for relief to which no responsive pleading is required herein**

Denied. While the Formal Complaint of my demand for relief from Rasier's standardized unconscionable contracts and predatory business practices is proffered by a legal amateur, I am well versed in the standard operating procedures in this industry. Unlike Rasier, I live and breathe under the PUC regulations as they stood for decades. All of these requests for the PUC to force Rasier to perform are reasonable and in the public interest.

I wish to remind Rasier's counsel that this IS NOT A court of law. The ALJ's decisions to DENY Rasier it's Application and subsequent Experimental Authority were based on lucid, rational and sound reasoning. The Commission's subsequent issuance of a license and dissent by its Vice President were also NOT decisions made in a court of law.

The Commission and its Judges are here to protect and serve the public. The judges saw through Rasier's dog and pony act. They Denied the granting of authority because Rasier has not proven itself to be a "safe" (52 PA Code standards). The exposure of potential loss by the riding public AND Drivers was noted- But to paraphrase Shakespeare "Something is Rotten in Pennsylvania" that smell is the LIABILITY that Rasier has exempted itself by convincing the commission to waive all of the most important rules that protect the public, the drivers and the industry. By deregulating a well regulated industry- Rasier is able to shift ALL of its Liability and Funnel away ALL of its Profits, leaving little if any, "skin in the game" to make whole any party damaged by it's negligence.

I will dissect, abridge and explain my "averments" listed and the logic and reasoning behind it.

**THE PUC should:**

A)

**1) Order TNC's to pay the "mean" or average rate per mile charged by all other demand carriers.**

Why? Because the Commissions use of GAAP (generally accepted accounting principles) forces all motor carriers to provide sound mathematical proof of actual costs of running and operating transportation businesses in this state. Their use of operating revenues and definitions of percentages necessary to prove a need for a rate increase.

The requirements of a rate increase to a tariff must be provable. Rasier has minimal operating costs and nominal capital investment in equipment used to run their motor carrier business. By charging the average rate, Rasier is competitive with all other carriers and will generate enough real profit to PAY their future workers a reasonable salary. (like all other carriers are set up to do) Charging the average base rate, all of the time will accomplish (3) things:

- a) keep more drivers on the road, all of the time. (providing a living wage will do that)
- b) eliminate the need for "surge" pricing.
- c) keep Rasier from being "destructive competition" to taxi businesses

**2) RAISE RASIER's ASSESSMENT:**

This can be done at any time. All Carriers must pay an assessment. I am a carrier at A-6317957. I will be paying a higher assessment than I should as the PUC's cost of adjudicating, enforcing, regulating and running all of this through their legal department is an expense cause by Rasier's entry into the market and the (2) \$350 filing fees paid for this experimental authority is unreasonable considering that (according to rasier) there are 33,000 drivers and 375,000 unique passengers in this state. I'm asking the PUC to make the TNC's pay their fair share and remove the burden from the taxpayers and the other carriers.

**3) Cap on operating revenue/income- based on tariffs and regulations that rasier was "waived" (defined by me earlier) upon obtaining experimental license.**

The PUC has a time limit of 2 years on Experimental licenses. This rationale was explained- by the Commission at time of granting approval to rasier. I suggested when I listed all waived or "bent" rules- why they should be set in place prior to granting permanent authority. Putting the rules back in place will level the playing field and force rasier to act properly. In a normal Public Utility, there is only a supplier and a consumer. The way rasier is set up as a public utility, there are (2) consumers of the platform- and they are- the owner/operator and the passenger. The passenger gets a "bargain basement price" on its usage of utility, hence "few complaints" on that side. The drivers side or supply side, utilizing the platform & authority vested in the driver via rasier's compliance is the aggrieved party that is being unfairly taken advantage of in this situation. Due to waiver of lease, alternative compensation, tariff, and other regulations (listed: ) rasier charges a "brokerage" fee to its carrier and lots of ancillary fees (undefined in it's tariff) to the traveler (passenger). If the PUC doesn't see a simple way to do this, as an alternative, charge each owner-operator \$100 per year, give them "TNC" status, or even license plates (another nominal fee to Penndot) and reclassify rasier as a broker. Doing so, the PUC could then set the rates, increments, tariff up and regulate the industry competently in a similar fashion to NYC's TLC. Rasier can become a "TNB" or Transportation Network Broker- this gives the PUC it's "teeth" back, ensures fair competition, proper insurance, proper registrations, and protects the public. As with PPA and legislation in process, a percentage or a flat fee per fare would compensate the state for its added burden of expense for creating a class of service needed to accommodate TNC's .

**5) Rasier needs to guarantee that the providers of its motor carrier service are compensated for the use of their vehicle, other equipment and time the PUC needs to ensure this as it is unfair for a Public Utility like rasier to so abuse its**

“supply-side” consumers.

6) **Deny Raiser PA LLC Permanent Authority.**

The PUC in good conscience, cannot issue permanent authority at this juncture because the providers of the service are being cheated, the customers can be charged whatever rasier desires, and there is no guarantee that an owner operator even HAS HIS OWN INSURANCE. The unprecedented pirating of other carriers with below cost rates, free rides, free rides for referrals caused by waiving tariff rate schedules, operating revenue statements to justify price increases are among many consumer protections that have been waived in this 2 year experiment.

7) -Or- Have rasier own their own equipment and provide drivers with a wage that is fair.

**A-2014-2416127 mentions Operating an Experimental Ride-Sharing Network.**

The statewide Application- A-2014-2424608 is worded differently. Therein lies a HUGE difference.

Allegheny authority was first, and was needed to “prove” or provide “evidencing approval” as worded in the rights, of the PUC to make Rasier legal, as they were proven to be operating illegally prior to that time. This is a serious issue that should not be forgotten.

**DIFFERENT WORDING = DIFFERENT RIGHTS CONVEYED**

The difference is tremendous and largely unobserved by anyone because of the nascent nature of the use of apps and gps systems on the passenger end of the business. Almost certainly none of the protestants and possibly the PUC knew or even realized that switching the wording in

“Allegheny” to: “Application for a Certificate of Public Convenience Evidencing Approval to **Operate an Experimental Ride-Sharing** Network Service Between Points in Allegheny County....”

The “statewide authority” application is different- it gives rasier the right “ **to begin transport by motor vehicle, persons in the experimental service of shared-ride network** for passenger trips between points in Pennsylvania....”

The orders may state exactly what Rasier says- but prior to permanent authority- these words need to be amended to prevent shared ride “ubers” from pirating fares from bus, trains and any other form of public transportation. Imagine if septa had 40% less riders?

I agree, also, as stated that the PUC experimented here with use of passenger vehicles. If Rasier was not allowed to take advantage of each and every single driver, and had to broker the fares to certificated carriers, they could not get away with paying “cost” for use business use of vehicles.

The statewide authority, if granted unchanged, will allow Rasier, through the “switching” of **ride-sharing** of Allegheny to **shared-ride** in State-Wide transfers a completely different right to a larger area with a different meaning. As rasier MUST comply with all PA 52 Code pertaining to the Demand class of regulations, unless expressly waived (as noted above by my defining the waived regulations) COULD be construed to all rasier to chase scheduled bus, train, etc. routes via use of the “APP” and a shared ride pricing model. This is why a defined tariff and a clear

definition of rights is needed. If Rasier had their own vehicles and had to pay the drivers and cover maintenance and fuel costs, it would have sufficient collateral to “impound” or otherwise force a payment of a fine or levy for violation of regulations.

8) As long as the PUC has the authority to grant and rescind authority to operate it has the power and jurisdiction to prevent predatory businesses like rasier from taking advantage of its consumers. It does so by underpaying drivers and “surge” pricing its customers primarily when they are drunk or stranded at sporting event, when they need transportation the most.

6. Denied. Paragraph 6 is a method of relief for protection of the Public as requested by Complainant.
7.
  - a) Admitted
  - b) Admitted
  - c) Unsure if a response was required by Rasier.
8. Denied. Let the judge decide if applicable.
9. Denied. Let the judge decide if applicable.
10. Denied. Let the judge decide if applicable.

#### NEW MATTER

11. Admitted.

12. **The relief sought by the Complainant in the Complaint is legally barred for the following reasons and subject to the following affirmative defenses.**

Denied.

a. restated- **The Commission lacks subject matter jurisdiction over all or portions of the complaint and relief requested therein, including, without limitation, the Claimant's claims sounding in class action, driver compensation vehicle ownership and driver status.**

a. As there are people in this state being transported intrastate, for compensation- the PUC is the final authority here, as there is no class action here- only the simple fact that what affects me adversely affects 33,000 other PA Uber drivers as we were/are bound by the same unenforceable, unconscionable, standardized, one-sided contract that has been decided by the State of California to be as such (where Rasier itself Compels us by said contract to act), as provided herein via EXHIBIT A.

b. restated- **The Complainant lacks standing or other legal authority to file and prosecute the Complaint and seek relief requested therein including, without limitation, challenges relating to the Company's assessment to the Commission and the level of Company's charges to customers**

b. As a consumer of the technology and paid user of Rasier's Authority to operate as a small carrier of passengers for compensation in intrastate transportation and as sole owner of A-6317957 a PA Public Utility I have standing, a legitimate interest and causal nexus in this complaint. I have lost time, effort and money based upon Rasier's ability via waived regulations to take unfair advantage of me as a consumer of their technology provided expressly via rasier's experimental authority as granted by the PUC.

As an on Call or Demand Authority owner, the unfair advantage given to Rasier as defined in above titled “waived regulations” paragraphs is undeniably too broad and too sweeping and gives such vague authority as to allow Rasier an unregulated authority to do anything it wants to with respect to all aspects of an otherwise well regulated industry. I will file an additional complaint as a Public Utility to address the assessment issue if it is not satisfactorily met in this Formal Complaint.

c. Restated- **The relief sought by Complainant in this proceeding is governed and controlled by legally binding and enforceable agreements and not this commission.**

c. Denied. Exhibit A shows that said agreements are in fact, enforceable, and my standing as A PA Public Utility is not affected by my personal contract with Rasier.

d. Restated- **The relief sought by complainant is barred by the equitable doctrine of laches.**

c. Denied. The time spent trying to figure out whether the contract with Rasier was enforceable or not and what it exactly bound me to or prevented me from doing took some time. Is there a statute of limitations that applies here? My complaint, if answered in my favor will never “make me whole” again. My Complaint here is to prevent future PA Uber drivers from becoming exploited and enslaved to Rasier and “the APP” due to investing in equipment to provide service for a company that exploits them (with impunity, it seems) at every angle. My Complaint here is to inform the PUC that there is one person who was abused by this UBER system that is not scared to come forward and help shed light on why steep measures should be included prior to obtaining a permanent Authority.

e. restated- **The Complaint fails to state a cause of action as a matter of law and is legally insufficient.**

Denied Being Misled, cheated and exploited by a Public Utility that is both experimental and temporary while under review for compliance by the licensing authority may/may not be a cause of action, but my standing and complaint are legitimate as it is not specifically denied that I, in fact was a consumer of the utility provided by Rasier, as explained in this answer- and I have the tax returns to prove my losses incurred as a result of my experience with Rasier. Thousands of professional cab drivers are out of work in this state due to the unfair competitive advantage given to Rasier against the ALJ's decision. I was one of them. My goal in this Complaint is to wake the Commission up before they finalize a sweetheart deal that will cost citizens of this state millions upon millions of dollars, when it is far easier to deny Rasier a permanent license.

f. restated- **The Complaint is not specific enough to allow a reasonable, meaningful and comprehensive response.**

Denied. A formal complaint by a utility customer pertaining to exploitation and abusive practices, especially in the case of one that is experimental, needs to be addressed and heard. In my reply to the Answer and New Matter, the abuse, exploitation and predatory businesses practices must be heard in order to consider the merit of granting Permanent Authority. Considering the nature of Rasier's potential to siphon money out of our state, based on the backs of the unwitting or desperate, and funnel those earnings away from taxation of our state and federal government, thus placing the burden of taxation on the same people it exploits-it is imperative that the Commission holds a hearing to explore its options and consider which regulations it must bring back or alter to protect all of us. The granting of permanent authority for complying with conditional requests while obfuscating the truth about being a safe and conscientious operator of a Public Utility does not mean the PUC will automatically guarantee the granting of authority- regardless of whatever deals and promises were made in the backrooms of the state legislature. It is my contention that I be heard to expose and prove the truth to those we entrust with the power to regulate and control these public utilities that allow us to live our lives, for better or worse.

WHEREFORE, I Robert Ely, hereby request that Rasier's request to dismiss my Formal Complaint be denied, and that I be given a chance to hire counsel to represent me at a hearing to decide if the hard working Pennsylvania "Uber" drivers should continue to be exploited by a company that has shown its game plan of operating unsafely, exploiting the young, the poor and the unwitting on both sides of their "App" and in each and every capacity they are able to is not the kind of public utility acceptable to the citizens of the Commonwealth of Pennsylvania. The relief suggested of Cancelling, Revoking or Rescinding Rasier's experimental authority and Denying Rasier Permanent Authority in lieu of a hearing would be acceptable as well.

Respectfully Submitted,

Dated: December 5, 2016

  
\_\_\_\_\_  
Robert Ely  
1163 Miller Rd.  
Lake Ariel, PA 18436  
(570) 290-9342

**BEFORE THE**

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Robert Ely** :  
**Complainant,** :  
 :  
**v.** : **Docket No. C-2016-2571984**  
 :  
**Rasier-PA LLC** :  
**Respondent.** :

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing document, and all related exhibits, 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**

John F Poviliatis  
409 N Second St  
Suite 500  
Harrisburg, PA 17101 1357

  
\_\_\_\_\_  
Robert Ely