

**House Consumer Affairs Committee  
Pennsylvania House of Representatives  
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Good morning Chairman Godshall, Chairman Daly, and the other distinguished members of the Committee. Thank you for the invitation to testify today on HB 1065, a bill that contemplates the regulation of so-called “ridesharing” or transportation network companies in the Commonwealth of Pennsylvania.

My name is Nick Zabriskie and I am the Public Policy Associate, East Coast for Uber Technologies, Inc. (“Uber”). My remarks today will focus on some of the many ways that ridesharing has transformed the Commonwealth - creating economic opportunities through more jobs, supporting local businesses, providing much needed transportation alternatives, and reducing DUIs – while also enumerating some of our many serious concerns with the language in the current draft of HB 1065. We appreciate this opportunity to speak with you today and hope that this is the first of many productive conversations about what appropriate regulations should look like for transportation network companies in Pennsylvania. It is our sincere hope that we can work with the Committee to find a regulatory framework that will allow companies like Uber to continue to offer safe, affordable, and reliable transportation options while creating the maximum amount of economic opportunities for Pennsylvanians throughout the whole Commonwealth, especially in Philadelphia.

**Uber Benefits Pennsylvania:**

At Uber, we took a simple idea – press a button on your phone and get a ride when you need it – and leveraged technology to make it a reality. At the most fundamental level, Uber is a technology company that creates and maintains a digital marketplace where people can buy and sell rides.

Since launching the Uber platform in Pennsylvania over three years ago, we have facilitated millions of rides throughout the state. Today, Uber is **available to more than 77% of Pennsylvanians** with over **87% of rides arriving within 10 minutes and more than half arriving in less than four minutes**. We are proudly connecting riders and drivers in Philadelphia, Pittsburgh, Harrisburg, Allentown, Bethlehem, Easton, Scranton Wilkes-Barre, State College, Lancaster, York, Reading and Erie, and we look forward to continuing to expand across the Commonwealth.

Uber driver-partners are making our roads safer in these communities. Pennsylvania has one of the highest rates of DUIs of any state in the country, but with the help of Uber, those DUI rates are falling. According to the Pennsylvania State Police Uniform Crime Reporting System, from Uber’s launch in 2012 to the end of 2014, **the number of annual DUI arrests in Philadelphia has decreased by 11.5%**. While there are other factors contributing to this decline, access to reliable transportation when needed most can only support this decrease.

Uber's impact is broad: helping a jobseeker to an interview, a parent get home in time for family dinner, a businesswoman with an important client meeting, or a student arrive home safely from a night out with friends. In addition to making it easier to move around, Uber has had a significant economic impact in the Commonwealth. This year, **driver partners across PA will take home over \$100 million in net earnings**. And when you look ahead at the projections, by 2020 drivers will have taken home \$2.2 billion in net earnings.

Uber is unlocking economic opportunity and empowering entrepreneurs across the Keystone State. Our entrepreneurial driver partners are working hard to better connect communities in the Commonwealth and delivering safe, reliable and affordable transportation alternatives to workers, parents, tourists, business travelers, and partygoers. But make no mistake – at the end of the day, one of the most powerful things we offer at Uber is choice for drivers.

At Uber, drivers are our customers. Driver partners are supplementing their income or working full-time, while enjoying the flexibility of being their own boss and setting their own schedule. To date, **Uber has given more than 20,000 people** right here in Pennsylvania the opportunity to use the platform to earn income, and this is just the beginning. Uber is **now adding more than 3,000 jobs every month across the state**, and is projected to provide **more than 150,000 Pennsylvanians with new economic opportunities driving by the end of 2020**. To these individuals, Uber represents choice and options for how they earn money to support their families.

As we work to create a regulatory environment that will ensure that transportation network companies will operate in the interest of public safety, it is critical that we protect the rights of drivers and avoid putting up barriers to entry that would bar individuals from the chance to support their families by partnering with a TNC, or otherwise limit their choices.

### **Background on TNCs:**

TNCs provide an online platform that enables non-professional drivers to provide safe rides using their personal vehicles. Thousands of Philadelphians have taken advantage of this tremendous economic opportunity, which enables them to start their own business with very little start-up costs, set their own hours, and work at their own pace.

The Uber platform provides drivers and riders with a more seamless and safer experience than they ever experienced with traditional for-hire options. Among other things, the Uber platform provides a rider with an opportunity to easily obtain a fare estimate before he or she requests a trip; allows a rider to view the driver's rating before the driver approaches so that the rider can make an informed decision about whether they wish to accept service from the matched driver; and enables the rider to track the progress of an inbound driver on a GPS-enabled map. Additionally, because TNC rides can only be arranged through a TNC's platform, there is never any need for a rider or a driver to carry or exchange cash—a key feature that substantially reduces the likelihood of crimes like robbery and assault in for-hire vehicles.

**HB 1065:**

HB 1065 proposes to create two separate regulatory frameworks for ridesharing in the Commonwealth. For 66 of the 67 counties in Pennsylvania, it would create a framework to regulate transportation network companies, consistent with Uber's temporary PUC license and with laws that have been passed in over 20 states to date to regulate this new and innovative industry. While we would like to see some changes to the language governing TNCs in that section of the bill, we are supportive of the overall concept – a concept which is proven and has allowed Uber to expand to 11 cities and counting in the Commonwealth, creating many exciting new job opportunities.

For Philadelphia County, HB 1065 proposes instead to shoehorn this innovative new service into a regulatory framework designed for traditional for-hire services. Though it purports to regulate transportation network companies, the framework would functionally make it impossible to run a TNC business in a Philadelphia. If adopted, Philadelphia would lose the access to safe, reliable, and affordable rides through the uberX platform that it currently enjoys because “ridesharing” would no longer exist. Instead, this new and innovative business model would be subject to one of the most burdensome and onerous regulatory frameworks in the country. Furthermore, this regulatory environment would disproportionately harm the citizens in the City of Philadelphia by erecting barriers to becoming a TNC driver that would cost thousands of current jobs for Philadelphians who drive on the uberX platform while closing the door on thousands more opportunities for citizens living in some of the areas in the Commonwealth with the highest incidents of un- and under-employment.

The current draft under consideration would impose a variety of burdensome and onerous requirements on TNCs that would make it difficult to provide safe, reliable, affordable transportation options in Philadelphia, including fixing rates for service that could harm a TNC's ability to ensure that drivers are able to provide reliable transportation services. It also would harm the Philadelphia tourism industry and create a negative impression for visitors of the City and the Commonwealth on the whole by banning TNC services at the airport, train stations, and at hotels in the City.

But mostly importantly, it would impose a number of burdens on potential driver-partners in Philadelphia that **would not be applied to drivers everywhere else in the Commonwealth**. There are number of these burdens, which range from special vehicle inspections to special license plates and the **requirement that TNC drivers navigate a burdensome government licensure process designed for full-time chauffeurs**. Such regulatory requirements do not work for this industry because a majority of the TNC Driver base holds full-time jobs or have other full-time responsibilities, and are far less likely to pursue this part-time opportunity if they

must spend substantial time, energy, and resources completing a government licensure process designed for full-time, professional drivers. If adopted, this proposal would likely lead to a dramatic decrease in the number of TNC drivers currently operating in Philadelphia and it would prevent the vast majority of potential drivers from ever considering using their own personal vehicle to supplement their income. With fewer drivers, Philadelphians will receive less reliable service at higher prices than their neighbors in other counties or other states.

### **Background on the Model TNC Regulatory Framework:**

State legislatures throughout the country are reviewing and updating their state codes to ensure that their constituents can access these services. To date, twenty states and the District of Columbia have enacted TNC laws. The key elements of these laws are as follows:

- TNCs are required to obtain a license from the appropriate regulatory body. As a licenseholder, TNCs are responsible for ensuring that each TNC Driver authorized to accept trip requests on the TNC's platform has passed a stringent screening process that includes a criminal background check and a safety inspection of his or her vehicle.
- TNCs are required to implement a zero tolerance policy whereby a TNC must immediately suspend any TNC Driver who is suspected of operating a vehicle while under the influence of alcohol or drugs.
- TNCs or TNC Drivers must maintain insurance policies that provide coverage from the moment a TNC Driver is logged onto the app and available for at trip request. Once a TNC Driver has accepted a trip request, the policy must provide for at least \$1 million of coverage.
- TNCs are required to implement key fare transparency safeguards, including providing riders with a clear description of the rates before a rider accepts a trip request.

### **Regulating TNCs in Pennsylvania:**

In December 2014, the Pennsylvania Public Utilities Commission—the regulatory body that oversees for-hire transportation in all counties except Philadelphia County—put in place a temporary regulatory framework for TNCs that, in many ways, tracks the model regulatory framework described above. This regulatory framework has governed TNC services in 66 of the 67 Pennsylvania counties for over six months.

In the General Assembly, Representative Maher has introduced an alternative bill – HB 1290, also referred to this Committee – that would create a permanent regulatory framework for TNC operations throughout the Commonwealth under the oversight of the Public Utility Commission while expanding the PPA's authority over taxi and limousine services in Philadelphia to include

TNC services. We maintain that any legislation that seeks to regulate transportation network companies should create a uniform set of rules that apply to such companies regardless of the ultimate regulatory body. Furthermore, we maintain that such legislation should be crafted with an eye toward creating as many economic opportunities for drivers in the Commonwealth and in Philadelphia especially. As twenty states have shown, it is entirely possible to balance public safety concerns while promoting and encouraging maximum choice and economic opportunity for drivers. Creating such a framework would give Pennsylvanians safe, reliable, and affordable transportation options while making sure the Commonwealth remains a leader in innovation.

We look forward to working with the Committee to strike that appropriate balance in any legislation being considered.