

COMMONWEALTH OF PENNSYLVANIA  
HOUSE OF REPRESENTATIVES

CONSUMER AFFAIRS  
COMMITTEE HEARING

STATE CAPITOL  
HARRISBURG, PA

MAIN CAPITOL BUILDING  
ROOM 140

THURSDAY, OCTOBER 9, 2014  
9:00 A.M.

PRESENTATION ON  
TRANSPORTATION NETWORK COMPANIES

BEFORE:

HONORABLE ROBERT GODSHALL, MAJORITY CHAIRMAN  
HONORABLE SHERYL M. DELOZIER  
HONORABLE BRIAN ELLIS  
HONORABLE ROB KAUFFMAN  
HONORABLE THOMAS H. KILLION  
HONORABLE KURT A. MASSER  
HONORABLE JOHN PAYNE  
HONORABLE MARCY TOEPEL  
HONORABLE PETER J. DALEY, DEMOCRATIC CHAIRMAN  
HONORABLE MATTHEW BRADFORD  
HONORABLE TINA DAVIS  
HONORABLE PATTY H. KIM  
HONORABLE ROBERT MATZIE  
HONORABLE ERIN MOLCHANY

\* \* \* \* \*

*Pennsylvania House of Representatives  
Commonwealth of Pennsylvania*

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SUBMITTED WRITTEN TESTIMONY

\* \* \*

(See submitted written testimony and handouts online.)

## P R O C E E D I N G S

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MAJORITY CHAIRMAN GODSHALL: The hour of nine o'clock having arrived, I call the meeting to order.

The meeting is a hearing on transportation network companies. As you know, these companies connect passengers seeking transportation with drivers available to provide transportation via a smartphone application. Transportation network company drivers use their personal vehicles to pick up and transport passengers and are compensated through established fees or suggested donations.

The Committee is currently evaluating several bills providing for licensing and regulation of transportation network companies, and this morning we will receive testimony from several stakeholders regarding the impact of this new transportation service on the Commonwealth.

This is a complex and controversial issue and I look forward to hearing from all of today's presenters. The hearing will be lengthy and we're going to try to hold it down to shorten it as much as we can, but we want to hear everybody.

The hearing is being recorded, and we will get started with Chairman Daley.

1                   MINORITY CHAIRMAN DALEY: Thank you,  
2 Mr. Chairman. It's an honor always to be serving with you  
3 on the Committee.

4                   And we find this issue, although it's developed  
5 itself very rapidly, a very interesting issue for the  
6 Commonwealth of Pennsylvania, and we're looking very much  
7 forward to all the testifiers today. Chairman Godshall has  
8 taken meticulous effort to make sure every base was  
9 covered.

10                  And without any further discussion, Mr. Chairman,  
11 I yield back to you.

12                  MAJORITY CHAIRMAN GODSHALL: Thank you very much.  
13 We will start. Our first presenter is Nick Zabriskie,  
14 Public Policy Associate for Uber.

15                  MR. ZABRISKIE: Good morning, Mr. Chairman and  
16 Chairman Daley and the other esteemed Members of the  
17 Committee.

18                  MAJORITY CHAIRMAN GODSHALL: We have a lengthy  
19 agenda and please limit your remarks to 10 minutes. If you  
20 have to summarize, that's fine because I want to allow time  
21 for questions and we want to make sure we have as many  
22 Members here for as long as we can and get through all of  
23 the presenters.

24                  I'm sorry. So you can start.

25                  MR. ZABRISKIE: Thank you very much.

1 UNIDENTIFIED SPEAKER: 13:18:31[inaudible].

2 MR. ZABRISKIE: That's okay. I can be brief.

3 Well, thank you again for holding this hearing.

4 It's great to be here with all of you today. I've had the  
5 chance to meet with most of you.

6 My name is Nick Zabriskie. I'm the Public Policy  
7 Associate, as you mentioned, for the East Coast from Uber  
8 Technologies. My remarks today will focus on the growing  
9 need for transportation alternatives throughout  
10 Pennsylvania and how establishing modern-day rules for  
11 transportation network companies that promote competition  
12 and customer choice can help meet the needs while ensuring  
13 driver integrity, vehicle safety, and increased consumer  
14 protection.

15 So at Uber we took a simple idea, you press a  
16 button on your phone and you get a ride when you need it,  
17 and we leveraged technology to make that a reality. We are  
18 a technology company that, among many other things, matches  
19 those that are in search of rides with those who are  
20 willing to provide them. Our products, like UberBLACK,  
21 UberTaxi, and uberX are available in 216 cities in 45  
22 countries worldwide. We're providing millions of rides  
23 thanks to hundreds of thousands of driver-partners who use  
24 our technology to become small business entrepreneurs.

25 Collectively, 50,000 driver jobs are being

1 generated by the Uber platform every month, and we're in a  
2 position today to provide services to 55 percent of the  
3 U.S. population, including the citizens of Pittsburg, where  
4 we're operating with emergency temporary authority from the  
5 PUC, and in Philadelphia where we had our high-end product,  
6 which is UberBLACK, under the PPA.

7 My testimony today pertains to uberX, which is  
8 our version of a product that has commonly been referred to  
9 as "ridesharing." There's huge demand for uberX -- it's  
10 our low-cost product -- throughout Pennsylvania, and the  
11 Legislature is uniquely positioned to pass legislation that  
12 will permanently allow this new and innovative service.

13 And so first I'd like to just talk really quickly  
14 about the need for this new product in Pennsylvania and  
15 also some of the benefits that we're able to provide when  
16 we come into communities. There's a tremendous unmet need  
17 for increased transportation opportunities throughout the  
18 States, and whether it's stepping out to run errands or  
19 find a way home after an evening out or searching for a  
20 reliable way to get to the doctor's office, Pennsylvanians  
21 are demanding safe, reliable, and affordable alternatives  
22 to the current options from getting from point A to point  
23 B.

24 On the part of Uber, we've received tens of  
25 thousands of requests for alternatives from consumers in



1 localities as diverse as Philadelphia, the Lehigh Valley,  
2 Scranton, State College, Erie, and right here in  
3 Harrisburg. These consumers complain about the  
4 insufficiency of their current public transportation  
5 options and the long wait times and low reliabilities of  
6 services that ultimately require them to build in untold  
7 hours into their days just in case the rides they've  
8 requested never show up. We have heard also from at this  
9 point over 41,000 Pennsylvanians who signed a petition in  
10 support of passing legislation, which we think speaks very  
11 clearly to the need and the demand from consumers across  
12 the State.

13 More troubling, Pennsylvania is the fourth-  
14 highest State for DUI fatalities even though its population  
15 is only the sixth-highest in the country. And data  
16 suggests that when Uber enters a market, DUIs actually  
17 decrease. We've found in Seattle a 10 percent causal  
18 relationship in declining DUI rates when Uber entered the  
19 market, and we've seen significant anecdotes and similar  
20 correlations present in Pennsylvania and Philadelphia where  
21 requests for rides spike late at night, especially around  
22 when the bars close. And so we believe that this kind of  
23 service will make it much easier for people to avoid  
24 getting behind the wheel and driving under the influence.

25 Also, I'll mention that in every market that is

1 uberX has entered, response times, so the time it takes for  
2 a driver to arrive once a ride has been requested, have  
3 quickly fallen. So in cities like Boston, Chicago, and  
4 D.C. where uberX has been operating for more than a year,  
5 the average wait time is around three minutes for a ride.  
6 These wait times contrast strongly with stories we've heard  
7 from folks throughout Pennsylvania waiting for an hour or  
8 more.

9           These wait times are also falling across the  
10 board including in underserved neighborhoods; so in Boston,  
11 25 percent of trips occur in areas where households earn  
12 less than the city's median income. Estimated time of  
13 arrival and completion rates do not differ statistically  
14 significantly between neighborhoods where households make  
15 below or above the median income. And in Chicago, one-  
16 fourth of trips start or end in neighborhoods the city has  
17 labeled traditionally underserved.

18           Our drivers come from all walks of life. They're  
19 active members of the various communities they live in.  
20 And with our technology, even a trip to the grocery store  
21 is an opportunity to meet the transportation needs of  
22 people's neighbors.

23           As mentioned above, the uberX platform is  
24 creating entrepreneurial opportunities for hundreds of  
25 thousands of driver-partners who use it to create their own

1 small businesses. These folks are anyone from stay-at-home  
2 parents, graduate students, people between jobs,  
3 underemployed people, people with low-paying jobs who want  
4 to supplement their income, or people just looking for the  
5 flexibility of being their own boss and starting their own  
6 business. And we like to think that our technology will  
7 help them unlock the tremendous potential, economic  
8 opportunities that are out there for folks with vehicles.

9 As a new service model, uberX or ridesharing was  
10 not previously contemplated by Pennsylvania regulations,  
11 and likewise, it's not cleanly captured under the current  
12 regulatory framework. Though we've worked diligently with  
13 the PUC and the PPA on an administrative path forward for  
14 uberX and ridesharing services, these efforts have been  
15 complicated by the limited statutory authority both parties  
16 have to allow for innovative new product offerings, and  
17 this is clearly demonstrated by the recent recommendation  
18 from two Administrative Law Judges at the PUC that an  
19 experimental license that would allow uberX to operate  
20 throughout the Commonwealth be rejected on the grounds that  
21 existing statutory hurdles could not be met.

22 As previously stated, ridesharing has been  
23 eagerly embraced by riders and drivers across the country,  
24 and as a result, many other jurisdictions have updated  
25 their regulations accordingly or they find themselves in

1 that process. And so Uber supports new legislation  
2 authorizing the PUC and PPA to responsibly regulate  
3 ridesharing while promoting consumer choice, innovation,  
4 and increased economic opportunities. We also suggest that  
5 allowing existing carriers to resist the introduction of  
6 these services interferes with the free market and is not  
7 beneficial to the public.

8           Uber's promise to our consumers is a safe,  
9 reliable, and seamless transportation experience, and to  
10 that end, all drivers that partner with Uber undergo  
11 rigorous background checks, vehicles that operate on our  
12 platform in Pennsylvania are inspected, and trips are  
13 covered by commercial liability insurance. And uberX trips  
14 set the standard for consumer protection with transparent  
15 prices, comprehensive trip receipts, and the highest level  
16 of accountability between riders and drivers thanks to  
17 feedback surveys that are requested at the end of every  
18 trip.

19           We believe it's appropriate to formally  
20 incorporate these types of standards into statute to  
21 satisfy public safety concerns. And in our experience, an  
22 effective way to address these concerns while promoting  
23 consumer choice and opportunity is by way of a  
24 transportation or TNC model. And under such a TNC model, a  
25 TNC would be defined as a company that contracts with

1 individuals who provide transportation services using their  
2 personal vehicles and that licenses or utilizes software  
3 for the purpose of enabling TNC partners to connect with  
4 prospective passengers. The TNC would apply for a license  
5 from the appropriate regulator and then certify and  
6 demonstrate that it and its partners are in compliance with  
7 the State requirements establishing minimum protection  
8 thresholds.

9 And I want to thank the Committee and the various  
10 Members for their leadership that they've shown on putting  
11 together different models for how a kind of TNC-style  
12 regulatory structure could work. And should the General  
13 Assembly decide to pursue legislation that adopt these  
14 things, we think it's important that four "best practice"  
15 areas that Uber uses to ensure safety as a ridesharing  
16 industry leader are codified, and that would be:

- 17 • Driver integrity regulations
- 18 • Vehicle safety regulations
- 19 • Insurance
- 20 • Consumer safeguards

21  
22 And I've outlined those in a little bit more  
23 detail in my testimony, but I won't go into that right now.

24 I'll just say that these unprecedented safety and  
25 consumer protection policies that we use, plus our

1 reliability and the transparency that we have around our  
2 prices are the reason that the demand for Uber has grown so  
3 quickly in Pennsylvania and elsewhere.

4           And in conclusion, ridesharing is much-demanded,  
5 much-needed transportation alternative in the Commonwealth.  
6 Increasing transportation options will have positive  
7 impacts for Pennsylvanians in terms of increased ease of  
8 getting around but also in the economic freedom and  
9 flexibility it would unlock for prospective drivers and  
10 local business owners. And we believe that updates to the  
11 current regulatory structure are needed to provide a safe  
12 home for ridesharing in Pennsylvania, and we're confident  
13 that it's possible to create a regulatory environment that  
14 can achieve public safety concerns while promoting consumer  
15 choice and economic opportunities. Thank you.

16           MAJORITY CHAIRMAN GODSHALL: Thank you very much,  
17 and thank you for condensing your testimony to the 10  
18 minutes that was allowed.

19           Representative Daley.

20           MINORITY CHAIRMAN DALEY: Thank you,  
21 Mr. Chairman.

22           I find your data that you put on the second page  
23 about DUIs rather provocative. Do you have any substantive  
24 data that you could provide to the Committee that  
25 correlates -- because you talked about a causal

1 relationship between the decline, the 10 percent. I mean I  
2 can understand that there would be a decline possibly, but  
3 what do you have from Pennsylvania and can you provide to  
4 the Committee any data regarding this Seattle experience?

5 MR. ZABRISKIE: Yes. I don't have it with me  
6 today, but we've actually published blog posts on both of  
7 these. In Seattle there was a longitudinal study, which is  
8 how we got the causal relationship there, but what we have  
9 is data from Pittsburgh and Pennsylvania that show that DUI  
10 rates are declining and it also shows that the demand for  
11 our service spikes right around the time that bars let out,  
12 which suggests very strongly that people are trying to use  
13 our services to avoid the alternative, which is either  
14 trying to get a cab or getting behind the wheel.

15 MINORITY CHAIRMAN DALEY: I mean arguably I can  
16 understand that---

17 MR. ZABRISKIE: Sure.

18 MINORITY CHAIRMAN DALEY: ---but there are cab  
19 services in Seattle and some of these other cities.

20 MR. ZABRISKIE: Yes, absolutely.

21 MINORITY CHAIRMAN DALEY: We had a discussion  
22 concerning what I consider your arrangement with your  
23 contractees, which I believe are sort of franchisees. Are  
24 you creating a franchise relationship?

25 MR. ZABRISKIE: No, I don't believe so. What

1 Uber does as a company is we create a marketplace for  
2 prospective drivers and prospective riders to interact, so  
3 a good analogy for the kind of business that we are is  
4 we're like an Orbitz. We are a place where folks can go  
5 and if they're interested in a ride, they can request one,  
6 and then somebody that's able to provide that ride can  
7 respond in kind and go and pick them up. So in that  
8 respect I think it's a good kind of analogy to the kind of  
9 business we run.

10 MINORITY CHAIRMAN DALEY: Well, let me just ask  
11 you, playing devil's advocate, I have a little knowledge of  
12 franchises. If I'm one of the Uber drivers and I enter  
13 into this contract with you and that's what we do, right,  
14 we enter into this contractual relationship where I have  
15 obligations to you and you have sort of obligations to me,  
16 could I be a Lyft contractee also?

17 MR. ZABRISKIE: Yes. As you point out, these are  
18 independent contractors so we don't limit their ability to  
19 partner with anyone. We're all about creating economic  
20 opportunities and choices, and we think that our platform  
21 provides more of that for the drivers that partner with us,  
22 but---

23 MINORITY CHAIRMAN DALEY: But the driver has  
24 to---

25 MR. ZABRISKIE: ---we don't restrict that.



1           MINORITY CHAIRMAN DALEY: ---sign that contract  
2 in order to partner with you? He can't do it on his own  
3 just like one day show up and call you up and say, hey, I'm  
4 here; I don't need a contract, just call me and put me on  
5 your list?

6           MR. ZABRISKIE: Right. Well, we take the safety  
7 responsibilities very seriously, so before we let anybody  
8 partner with us, they have to go through rigorous  
9 background checks and all sorts of things. So yes to your  
10 question. There is a---

11           MINORITY CHAIRMAN DALEY: And I know a lot of  
12 Members have questions. I don't want to sort of dominate,  
13 but last question, an Administrative Law Judge recently  
14 denied your application for your certificate. Do you have  
15 any inkling as to why that occurred and any reason do you  
16 believe that that occurred?

17           MR. ZABRISKIE: Yes. I think we believe that  
18 that occurred kind of, as I mentioned, because of the  
19 statutory hurdles that are difficult to achieve. And  
20 again, our business model, it doesn't fit cleanly under the  
21 existing regulations, which I guess is why we're here  
22 today. We want to make sure that we can have legislation  
23 that will account for these new kinds of technologies  
24 instead of sort of trying to put a square peg in a round  
25 hole.

1           MINORITY CHAIRMAN DALEY: Thank you,  
2 Mr. Chairman.

3           MR. ZABRISKIE: Thank you.

4           MAJORITY CHAIRMAN GODSHALL: Representative  
5 Toepel.

6           REPRESENTATIVE TOEPEL: Thank you. I hope you  
7 can see me over here.

8           I had a quick question under your Consumer  
9 Safeguards testimony. Since this is new to me, just bear  
10 with me and try to explain the rating system, how someone  
11 would be dropped out of the program based on the rating  
12 that they would get from the participants. And if I'm  
13 getting that information, if I'm calling for a ride and I  
14 see all that information and the rating, can I deny the  
15 service of that particular driver?

16           MR. ZABRISKIE: Sure. So what we do is we think  
17 that accountability is a really important piece of this.  
18 These are people in their private vehicles that are  
19 offering to pick up strangers, and you've got to have some  
20 kind of feedback system to make sure that everybody can  
21 have a great experience that's safe and reliable.

22           So to the first part of your question, after  
23 every ride, drivers and riders rate each other, and the  
24 reason for that is that it's important that people be able  
25 to deliver a certain standard of service that's appropriate

1 that fits with what we're trying to do here.

2 When you request a ride as a rider, you pull up  
3 your app, there's GPS that says I'm at this location, I  
4 want to be picked up. You send out a signal. You see a  
5 driver that accepts you and they're coming towards you and  
6 you see the rating, their name, their vehicle make, model,  
7 license plate number, and if you so chose to cancel your  
8 ride for any reason, you absolutely could.

9 What we do to make sure that there's reliability  
10 across the system is if you were to cancel your ride after,  
11 say, I think it's five minutes, then we would charge a fee.  
12 But of course we want to preserve flexibility so that if  
13 somebody has to leave or they find another way to get from  
14 point A to point B or like a cab showed up or something  
15 like that, they could of course take the transportation  
16 option instead and not be stuck with the driver coming to  
17 pick them up.

18 So could you remind me again what the second part  
19 of your question was?

20 REPRESENTATIVE TOEPEL: Just that are you  
21 monitoring the rating system then as well and you're  
22 dropping drivers that are not maintaining a certain  
23 standard I guess that you were looking at?

24 MR. ZABRISKIE: Yes, absolutely. And that's the  
25 key piece. We look at all of the ratings and when we see

1 that somebody isn't keeping their rating high, we go to  
2 them and we can offer constructive ways that they might be  
3 able to improve the quality of the service they're  
4 providing. But it's a really important feedback mechanism  
5 for us because we can see that there's clearly a problem  
6 either with the driver or the vehicle and we can go and  
7 address that. And that's how we make sure that the  
8 services that are provided through our platform are top-  
9 notch.

10 MAJORITY CHAIRMAN GODSHALL: Representative  
11 Davis.

12 REPRESENTATIVE DAVIS: Thank you.

13 I had real quick questions. Do you have enough  
14 drivers at the end of the night? At a bar and there's 20  
15 people out there, do you have enough drivers to accommodate  
16 that?

17 MR. ZABRISKIE: So we create a marketplace;  
18 they're not our drivers but they're people that choose to  
19 use our platform to try to find rides, and as a  
20 marketplace, we respond to market forces. So if there's  
21 high demand, then lots of drivers will come out on the  
22 road. So what we try to do is make sure that rides are  
23 always available.

24 REPRESENTATIVE DAVIS: And are the prices the  
25 same? You go to Atlantic City, you go there for six bucks

1 from Brigantine; you come back, it's \$38.

2 MR. ZABRISKIE: Right.

3 REPRESENTATIVE DAVIS: So how does that work?

4 MR. ZABRISKIE: Sure. So we're very transparent  
5 about our pricing. We do pricing based on the distance  
6 traveled and the time that you're in the vehicle. You can  
7 request a fare quote before you even take the ride or even  
8 request it.

9 REPRESENTATIVE DAVIS: The app?

10 MR. ZABRISKIE: Yes, exactly, on the app. You  
11 can get kind of an ETA for how long it will take you to get  
12 there and a fare quote that's usually within a dollar or  
13 two. You get in the vehicle. They take you to your  
14 destination. You get out; you receive a receipt that's  
15 transmitted to your email that shows the exact route that  
16 you traveled, how the fare was calculated, how much  
17 distance was traveled, how much time was traveled, and the  
18 calculation. And if you dispute any of that and you feel  
19 like the driver went the wrong way, you email us; we  
20 respond within 24 hours.

21 REPRESENTATIVE DAVIS: And can you guarantee a  
22 ride? When you do the app, do you put in your destination,  
23 too, at that time or you just ask for a pickup?

24 MR. ZABRISKIE: So what we do now is we have a  
25 new offering where you can enter your destination directly

1 in the app. We make sure, though, that that information  
2 isn't available to the driver until they---

3 REPRESENTATIVE DAVIS: Oh, that was my question.

4 MR. ZABRISKIE: Until the person gets into the  
5 vehicle.

6 REPRESENTATIVE DAVIS: Because that guarantees  
7 that they'll be there.

8 MR. ZABRISKIE: Yes. Right. Exactly.

9 REPRESENTATIVE DAVIS: Okay. And I'm trying to  
10 do this fast. And then in Philadelphia your UberBLACK,  
11 would that fall under limo?

12 MR. ZABRISKIE: So that's currently regulated by  
13 the PPA. What we're trying to do, though, is introduce  
14 this new uberX category that will allow us to offer low-  
15 cost rides because that is a premium service that's high-  
16 cost.

17 REPRESENTATIVE DAVIS: So you're not interested  
18 in UberBLACK at all in the State?

19 MR. ZABRISKIE: In the State? I wouldn't say  
20 that we're not interested in that at all but our main  
21 priority right now is to get a low-cost transportation  
22 option for all Pennsylvanians.

23 REPRESENTATIVE DAVIS: But if you do bring  
24 UberBLACK into it, would you be willing to do what the  
25 taxis have to do in Philly and buy the medallions?

1           MR. ZABRISKIE: I think that the way our business  
2 model works it's not really conducive. It doesn't fit  
3 under the medallion model. What we're talking about is  
4 people in their private vehicles driving around providing  
5 transportation services, and people come on the platform  
6 and leave the platform very quickly and it's all about  
7 creating choice. So we have some people that will come on,  
8 try for a couple of days, and then decide it's not for them  
9 while other people that will come on and use it much more  
10 frequently. But really the goal of the uberX product is to  
11 provide opportunities for people that have vehicles to  
12 start turning that into money.

13           REPRESENTATIVE DAVIS: So as a company you  
14 wouldn't be willing to buy these medallions or you can't  
15 say that right now and then---

16           MR. ZABRISKIE: It doesn't---

17           REPRESENTATIVE DAVIS: ---absorb the cost and  
18 then let the drivers still make money? I'm not trying to  
19 put you on the spot but---

20           MR. ZABRISKIE: No. And the way it works in  
21 Philadelphia with UberBLACK, these aren't medallions.  
22 They're not taxicabs. We don't do street hails, which is  
23 what a medallion is -- but you buy a medallion to provide  
24 street hails and that's not what we do at all. It's a  
25 different business model.

1 REPRESENTATIVE DAVIS: Okay. Thank you.

2 MR. ZABRISKIE: Thank you.

3 MAJORITY CHAIRMAN GODSHALL: Representative  
4 Payne.

5 REPRESENTATIVE PAYNE: Thank you, Mr. Chairman.

6 I read and listened to your testimony and I'm not  
7 from Philly or Pittsburgh. I'm from Hershey with about  
8 four million tourists a year. So my question is do you  
9 operate in Hershey or the Hershey area?

10 MR. ZABRISKIE: As of right now we only operate  
11 in Philadelphia and Pittsburgh because---

12 REPRESENTATIVE PAYNE: Okay. That's good because  
13 the Chairman has us on a very short timeline here so---

14 MR. ZABRISKIE: Yes.

15 REPRESENTATIVE PAYNE: Could you provide to the  
16 Committee a list of the towns or boroughs or counties that  
17 you operate in in Pennsylvania right now?

18 MR. ZABRISKIE: Unfortunately, we're only allowed  
19 to operate in Pittsburgh because that's the only place the  
20 PUC has given us temporary authority to operate.

21 REPRESENTATIVE PAYNE: All right. Now, that's  
22 kind of my second question. So the PUC has only granted  
23 you to operate in Pittsburgh but you operate in other  
24 locations, including Philadelphia?

25 MR. ZABRISKIE: In Philadelphia we operate a



1 different product, the UberBLACK product, which is  
2 regulated by the PPA.

3 REPRESENTATIVE PAYNE: And not regulated by the  
4 PUC?

5 MR. ZABRISKIE: Correct.

6 REPRESENTATIVE PAYNE: Are there States that you  
7 operate in in the United States that have a similar PUC  
8 regulatory body that you operate under that umbrella or do  
9 you operate independent of most---

10 MR. ZABRISKIE: No. Absolutely. In California,  
11 for example, we're regulated by their -- I think it's the  
12 PUC also; it's the same acronym. But, yes, we're happy to  
13 work under any regulatory body that will allow us to  
14 provide those services.

15 REPRESENTATIVE PAYNE: All right. Last question,  
16 is there a reason that you haven't filed to the PUC to  
17 operate in Harrisburg or---

18 MR. ZABRISKIE: As a matter of fact, we've  
19 actually---

20 REPRESENTATIVE PAYNE: Hershey?

21 MR. ZABRISKIE: ---applied to operate statewide  
22 under the PUC through an experimental licensing process.  
23 Now, I guess two Administrative Law Judges have indicated  
24 that their recommendation is that that license not be  
25 granted because of the statutory hurdles that have to be

1 overcome to operate a business. As I've testified, our  
2 business doesn't fit under the standard models and that's  
3 kind of why we're here today is because we need the  
4 Legislature to provide new authority to these regulators to  
5 allow this innovative business to operate.

6 REPRESENTATIVE PAYNE: Thank you. And thank you,  
7 Mr. Chairman.

8 MAJORITY CHAIRMAN GODSHALL: Representative  
9 Molchany.

10 REPRESENTATIVE MOLCHANY: Thank you,  
11 Mr. Chairman.

12 I actually represent the City of Pittsburgh so  
13 thank you for coming into our city. We have some pretty  
14 significant transportation needs there, so I appreciate it.

15 My question to you is can you kind of give the  
16 Committee an idea of how many cities you are currently  
17 operating in in the United States and how many States are  
18 operating and just to kind of give us an idea of scope?  
19 Being in Pennsylvania, obviously we're not the only one  
20 but---

21 MR. ZABRISKIE: Right. And I don't actually have  
22 those numbers readily available. I know that we're in I  
23 believe it's 45 countries, 216 cities. We're in most every  
24 major U.S. metropolitan area. I don't want to be incorrect  
25 with this but we're trying to be across all States and all

1 cities. I mean that's our goal. Anywhere there's rides  
2 that people need provided, we want to be there.

3 REPRESENTATIVE MOLCHANY: So as a follow-up to  
4 that and as a follow-up to kind of Representative Payne's  
5 question then, you work with every one of these States to  
6 come up with regulations for TNCs? I mean I do believe  
7 that it seems like innovation definitely is preceding the  
8 regulatory process here and it seems to me that things are  
9 different with TNCs than they are with traditional  
10 medallion systems or cab companies. It's a different  
11 service. So in all those States, then, you do work with  
12 the regulatory bodies and there have been laws that have  
13 been created or certain regulations put in place by those  
14 respective legislatures to regulate TNCs differently than  
15 traditional models?

16 MR. ZABRISKIE: Right. As you point out, this is  
17 a new product offering. Right now, California and Colorado  
18 have codified the TNC model into law and we are  
19 increasingly working with legislatures across the country  
20 to do this kind of thing. We try to work with the  
21 regulatory bodies to make sure that we can operate. As  
22 long as there are sensible regulations that allow this kind  
23 of platform to operate and provide benefits to consumers  
24 and drivers alike, we're supportive of that.

25 REPRESENTATIVE MOLCHANY: Thank you.

1           Think you, Mr. Chairman.

2           MAJORITY CHAIRMAN GODSHALL: Thank you.

3           And Representative Daley.

4           MINORITY CHAIRMAN DALEY: Real quickly, it's my  
5 understanding that you also let the drivers rate the  
6 participants, the riders, and let's just say if you had  
7 crabby Pete Daley as a participant and I get a low rating,  
8 maybe a one star as opposed to a five star like  
9 Representative Godshall would probably get, does that---

10          MAJORITY CHAIRMAN GODSHALL: I appreciate that.

11          MINORITY CHAIRMAN DALEY: I was going to switch  
12 it around but I figured I know better.

13                 Does that impact on my future ridership? And  
14 does that create a confidentiality problem because you do  
15 have names of individuals and addresses because you have  
16 PayPal information and all that sort of thing. Does that  
17 create clearly a problem of confidentiality?

18          MR. ZABRISKIE: I don't know that it creates a  
19 problem with confidentiality. And stop me if I'm not  
20 understanding your question properly, but it's important to  
21 have -- I mean accountability has got to be a two-way  
22 street. We definitely want to make sure that people that  
23 are aggressive or look like they might have intent to do  
24 harm, that drivers are protected in those kinds of  
25 situations. But on the whole, you're talking about ratings

1 over a bunch -- it's not just one data point. So we think  
2 that it's more important for us to be able to hone in on a  
3 certain person if they're having some kind of issue and  
4 they're a threat to the safety of drivers.

5 MINORITY CHAIRMAN DALEY: Yes, I understand. And  
6 just let me real quick, Representative Godshall, but you're  
7 telling me you pick up a lot of DUI people and the rates  
8 drop down. Aren't those people sort of not all passive  
9 when they're inebriated and they're getting a ride home?  
10 Doesn't that sort of preclude them possibly from future  
11 rides?

12 MR. ZABRISKIE: I don't think it would preclude  
13 folks unless there's some kind of incident because on the  
14 whole I think most people -- if somebody is a dangerous  
15 person, then it's good; we would find out about it pretty  
16 quickly. But on the whole I mean people are people and  
17 obviously they're not going to be terrible every ride.

18 MAJORITY CHAIRMAN GODSHALL: Okay. Thank you  
19 very much for your presentation. We appreciate and say  
20 thank you again.

21 Our next presenter will be Vince Fenerty,  
22 Executive Director; and Dennis Weldon, General Counsel,  
23 Philadelphia Parking Authority.

24 Do you want to identify---

25 MR. FENERTY: I just want to introduce who's with

1 me today.

2 Good morning, Chairman Godshall, Chairman Daley.  
3 First, I'd like to introduce the gentlemen who are here  
4 with me today. I will be the only presenter. To my left  
5 is Dennis Weldon, who's our Deputy Executive Director and  
6 General Counsel. He has been with the Authority for 13  
7 years. Next is Mr. Ney. He is the Director of the Taxi  
8 and Limousine Division. He has been with the Authority for  
9 31 years. And to my far right is William Schmid. He's the  
10 Deputy Director of the TLD and he has been with the  
11 Authority for nine years and retired previous to that as a  
12 Philadelphia Police Lieutenant from the Narcotics Squad  
13 with 32 years experience.

14 So you can see, as regulators, I bring with me  
15 today many men who combined have over 110 years' experience  
16 in the transportation business.

17 I appear before you today to testify concerning  
18 the matter of the authorization of the transportation  
19 network companies known as TNCs to legally operate in  
20 Pennsylvania, and more specifically, in the City of  
21 Philadelphia.

22 As you are aware, on April 10th, 2005, the  
23 Authority initiated the regulation of all taxi and  
24 limousine service in Philadelphia. This service had been  
25 previously regulated by the PUC. In Philadelphia the

1 Authority regulates:

- 2 • 1,600 medallion cabs
- 3 • 9 dispatch companies
- 4 • 6 partial rights taxicab companies, which
- 5 operate just under 200 taxicabs
- 6 • 100 limousine and airport transportation
- 7 companies, which have over 900 vehicles
- 8 • 3,500 taxicab drivers
- 9 • 1,800 limousine drivers

10

11 Combined, that's roughly 5,500 drivers who  
12 service the Philadelphia area as transportation  
13 specialists.

14 In 1990, the Commonwealth instituted a medallion  
15 program for all Philadelphia taxicabs with "city-wide"  
16 rights. Several other major cities such as New York City,  
17 Boston, Chicago, and Miami have similar medallion programs.

18 The Public Utility Commission issued all of the  
19 medallions that currently operate in Philadelphia and 45  
20 new medallions are available for authorization now. That  
21 will bring the total of medallion taxis in Philadelphia to  
22 1,645 medallions, and that will be by the end of this year.  
23 Each of those taxicabs can only be owned by a person who  
24 has been first issued a Certificate of Public Convenience  
25 from the Parking Authority.

1           The idea behind the creation of the medallion  
2 program was to provide taxicab owners with an asset against  
3 which the owners could borrow the necessary funds to  
4 provide a better quality vehicle and a better quality  
5 industry in Philadelphia. A medallion can be sold by the  
6 owner on the open market. The Authority oversees the sale  
7 of the medallions to assure that the new owner is qualified  
8 to provide taxicab service.

9           Although the taxicab market is highly regulated,  
10 the value of a medallion is set on a case-by-case basis by  
11 the parties involved in each transaction. The value of  
12 medallions has steadily risen over the years. On September  
13 8th, 2014, an application was received by the Authority to  
14 transfer a medallion for sale at the price of \$520,000.  
15 Increasing medallion values permits the Authority to demand  
16 commensurate improvements to the quality of the medallion  
17 taxicab services.

18           The age, mileage, and overall condition of the  
19 taxicabs has significantly improved over the past several  
20 years and we have been able to require modern technological  
21 advances in all of our medallion cabs as well. In fact,  
22 Philadelphia was the first United States city to mandate  
23 across-the-board installation of a comprehensive taxicab  
24 technology system which has been installed in all taxicabs  
25 in Philadelphia. This system is GPS-enabled, providing a



1 turn-by-turn navigation assistance for drivers and permits  
2 each trip to be monitored by the dispatcher and by the  
3 Authority. The system permits the dispatcher and the  
4 Authority to know which driver is in which taxicab and to  
5 remotely shut down the meter if there is a problem with the  
6 driver, the cab, or any other issue. The meter system is  
7 capable of purely digital communications and most providers  
8 already have smartphone apps in place that fully integrate  
9 with the meter systems in Philadelphia's taxicabs.

10 Also, in 2012 the General Assembly authorized,  
11 through Act 119, the sale of 150 new medallions, which  
12 emphasizes on the pressing need for wheelchair accessible  
13 taxicab service in Philadelphia. The Authority will begin  
14 the sale of those new medallions the week after next  
15 actually and hopes to have a fleet of more than 50  
16 wheelchair-accessible vehicles available in Philadelphia by  
17 early next year. Each of those wheelchair-accessible  
18 medallion taxicabs will be brand new, capped at a maximum  
19 age of five years, and be fully equipped to provide taxicab  
20 service to people in wheelchairs, whether by advanced call  
21 or by a street hail.

22 People who seek quick and nonscheduled  
23 transportation in Philadelphia primarily use taxicabs. We  
24 believe those people are exactly the type of customers who  
25 will use a TNC vehicle. I believe that placing the nearly

1 unregulated TNC vehicles in direct competition with  
2 taxicabs carrying a regulated burden which accompanies the  
3 need to insure public safety is manifestly unfair. The  
4 lower-cost and lower-margin operators will take business  
5 away from the medallion taxicabs. The loss of business  
6 will reduce the profitability and inevitably the value of  
7 the medallions, further leading to a reduction in the  
8 quality of taxicab service, which Philadelphia now enjoys.

9           Many people are unaware that a new app-based  
10 transportation service has been in place in Philadelphia  
11 since May 31st, 2013. People in Philadelphia have been  
12 able to access a properly certificated limousine company  
13 and their vehicles through the "Uber" app since that time.  
14 The vehicles used to provide this Uber service are  
15 certificated, subject to the Authority's inspections, and  
16 fully insured at all times by the same insurance policy in  
17 the minimum amount of \$1,500,000 to cover liability for  
18 bodily injury, death, or property damage incurred in an  
19 accident arising out of that type of service.

20           Those Uber vehicles are operated by drivers who  
21 have been interviewed, have had their backgrounds checked,  
22 who have been photographed and tested by the Authority.  
23 They all also display an Authority-issued driver's  
24 identification card in their vehicles. The Uber service  
25 has grown from zero vehicles in May 2013 to over 450

1 vehicles today. This service is not temporary or  
2 experimental; it is fully certificated and compliant with  
3 the current laws and regulations. Uber has reached this  
4 form of compromise in New York City as well.

5           The Authority does not regulate transportation  
6 providers in other areas of the Commonwealth. Therefore,  
7 we do not contest the need for new types of service like  
8 network transportation companies in those areas. But  
9 Philadelphia is the only county in the Commonwealth that  
10 has a State-mandated medallion program. I am deeply  
11 concerned that all of the different bills regarding this  
12 issue, with the exception of House Bill 2445, have failed  
13 to recognize this unique situation that Philadelphia  
14 enjoys.

15           I believe that the Authority has already found a  
16 balance in Philadelphia between the traditional taxicab  
17 service and the app-based transportation companies. While  
18 some taxicab companies in Philadelphia would prefer this  
19 type of limousine app service be restricted or eliminated  
20 and some network transportation companies would prefer  
21 unfettered access to Philadelphia, I believe a solution has  
22 already been reached through the current compromise which  
23 Philadelphia has in place now.

24           Mr. Chairman Godshall and Mr. Chairman Daley, I  
25 ask that you and your Committee Members and all elected

1 officials take these special circumstances in Philadelphia  
2 into consideration. I would ask that any legislation  
3 advanced regarding network transportation services exempt  
4 the City of Philadelphia.

5 And I make myself and my staff available to any  
6 questions which the Committee may have.

7 MAJORITY CHAIRMAN GODSHALL: Thank you.

8 Representative Masser.

9 REPRESENTATIVE MASSER: Thank you, Mr. Chairman.

10 You say that there's medallions available for  
11 sale now by the Authority. What do they sell for?

12 MR. FENERTY: It starts on October 22nd, the  
13 first two are up, and the schedule continues through  
14 December. That value will be determined by an open market  
15 and we have set a minimum bid for each of those vehicles at  
16 \$475,000.

17 REPRESENTATIVE MASSER: Okay. All right.

18 Thank you, Mr. Chairman.

19 MAJORITY CHAIRMAN GODSHALL: Representative  
20 Molchany.

21 REPRESENTATIVE MOLCHANY: Thank you,  
22 Mr. Chairman.

23 My question is actually kind of similar. I was  
24 looking at this \$520,000 price tag on a medallion and  
25 thinking that if I wanted to be a cab driver when I leave

1 this House, I can't afford it. So my question was again  
2 similar to Representative Masser that you cannot purchase a  
3 medallion for less than \$475,000? And a cab driver is  
4 responsible for purchasing the medallion? Or I'm not sure  
5 -- if you can explain that a little bit.

6 MR. FENERTY: If I may take a minute and give you  
7 some history. In 2005 the medallions were selling roughly  
8 for \$60,000 apiece when the Authority took it over from the  
9 PUC. We were very successful with the help of the  
10 Philadelphia Police Department with Director Schmid --  
11 brings 32 years of experience with him and has many friends  
12 there -- to getting all the hack cab service and unlicensed  
13 services out of Philadelphia. And once we did this, the  
14 values of the medallions started to rise on the free  
15 market.

16 Many of the medallions are owned by individuals  
17 who bought them when they were \$60,000 or less or, as the  
18 prices were going up, bought them as investments. The  
19 medallion owners then provide the cab. They lease the  
20 medallion, the cab, to the working drivers for a daily  
21 rate, a weekly rate, a monthly rate. And that is how it  
22 works.

23 We've enjoyed a good and a bad relationship with  
24 the medallion owners because -- we did a lot of  
25 improvements to the medallion service. We have uniform

1 officers who are on the street 18 hours a day usually or  
2 out there on the weekends and we make sure they're clean,  
3 good cabs. We inspect them, a full State inspection twice  
4 a year.

5           So what happened is it became more profitable. A  
6 cab could be rented for a 12-hour shift, maybe two 12-hour  
7 shifts, and we've brought the number of years a cab can be  
8 in service down as we have progressed along because as the  
9 value is rising, the owners of the medallion cab service  
10 naturally work the cabs harder and machinery can only go so  
11 long. So we've lowered the years.

12           And because the system has worked so well, people  
13 have invested money. We've trained more drivers. We've  
14 expelled many drivers for bad service, for vulgar language,  
15 for not being dressed properly, for many types of different  
16 infractions. And we have taken a cab service that was  
17 mediocre at best in Philadelphia 10 years ago and we've  
18 made it into a good service. And that is with what we call  
19 -- the people we regulate are also our partners in making  
20 the cab service better in Philadelphia. And they've  
21 invested time, money, and many of the smaller people -- and  
22 there are hundreds of them that own medallions -- this is  
23 their life and their life's work and we don't want to see  
24 their life's work become devalued.

25           REPRESENTATIVE MOLCHANY: Thank you.

1 MAJORITY CHAIRMAN GODSHALL: Thank you very much.  
2 I'm going to peruse through the testimony and so forth and  
3 probably will be in touch with you later on with any  
4 questions that I have as far as time goes here today. So  
5 we appreciate your attendance and say thank you.

6 MR. FENERTY: Mr. Chairman, may we be excused for  
7 the day?

8 MAJORITY CHAIRMAN GODSHALL: I'm sorry?

9 MR. FENERTY: May we be excused for the day?

10 MAJORITY CHAIRMAN GODSHALL: You may be excused,  
11 yes.

12 MINORITY CHAIRMAN DALEY: Well, I'll just say  
13 maybe you might not want to be excused. You may want to  
14 listen to all the other testimony, but it's your  
15 discretion, not ours.

16 MR. FENERTY: May we be excused or would you like  
17 us to stay?

18 MINORITY CHAIRMAN DALEY: No, that's your  
19 decision.

20 MR. FENERTY: Okay.

21 MINORITY CHAIRMAN DALEY: That's what the  
22 Chairman's saying.

23 MR. FENERTY: Okay. Thank you.

24 MAJORITY CHAIRMAN GODSHALL: I want to ask you  
25 one question before you go. I just thought of this. Do

1 you have a surplus of cabs in Philadelphia?

2 MR. FENERTY: I don't believe so at this point.  
3 We believe that there are enough cabs to service anyone.  
4 We do not receive many calls about lack of responses. When  
5 you go to our major hubs at Suburban Station, at 30th  
6 Street Station, at the airport, there's always a ready  
7 supply of cabs there.

8 I use cabs myself, okay, in Center City going  
9 back and forth from meetings from our headquarters to City  
10 Hall or to Municipal Services Building. I have never not  
11 been able to hail a cab in the Center City of Philadelphia  
12 and get a ride. And they all know where our headquarters  
13 are but they don't know who I am and I can honestly say I  
14 have not had a bad cab ride in five years.

15 MAJORITY CHAIRMAN GODSHALL: Well, I was asking  
16 that question in relation to some of the Philadelphia cabs  
17 I've seen up in my area in Montgomery County not too long  
18 ago---

19 MR. FENERTY: Well, the---

20 MAJORITY CHAIRMAN GODSHALL: ---so I thought  
21 maybe there was a surplus in Philadelphia---

22 MR. FENERTY: The visitors who came to your  
23 county I do want to apologize that they came and acted in  
24 the manner that they did. I think they were afraid,  
25 Chairman Godshall, of losing their livelihood and they were



1 overreacting. And I have spoken quite harshly with the  
2 leaders of that group and told them there are better ways  
3 to do things. It's called picking the telephone up and  
4 asking a meeting with a Representative at his office before  
5 you show up en masse with signs. You never know which way  
6 a Representative may vote on a bill and what they did could  
7 only alienate someone. And I think I've explained that to  
8 them, that there is no Rep that I know of or I have ever  
9 dealt with that would not open their door to a meeting to a  
10 group of individuals who provide regulated public service.

11 And I apologize on behalf of the Authority for  
12 how my regulated drivers acted that day.

13 MAJORITY CHAIRMAN GODSHALL: Thank you. I just  
14 had to throw that in.

15 MR. FENERTY: And it was well-deserved.

16 MAJORITY CHAIRMAN GODSHALL: And there's one  
17 quick question he had, Representative Masser.

18 REPRESENTATIVE MASSER: I apologize,  
19 Mr. Chairman, but just before you folks leave I wanted  
20 to -- just for me in the private sector, competition isn't  
21 a bad thing. When a new business in my industry opens up,  
22 it makes me and my staff focus even harder and try  
23 different things and try innovative new ways to be  
24 competitive, and I think it brings focus into my business.  
25 So I never look at competition as a bad thing.

1           And I just want to ask one more question because  
2 when I was in New York City last year waiting for a cab,  
3 cabs would pull up in front of the hotel; unless you were  
4 going to the airport, they wouldn't pick you up. I mean do  
5 we have that in Philadelphia because that was frustrating  
6 standing outside for an hour-and-a-half and every cab  
7 coming up and asking are you going to the airport? If not,  
8 I'm not taking you.

9           MR. FENERTY: We have experienced a few  
10 complaints like that. I can say with all confidence  
11 they're very few and far between. Mr. Schmid, Mr. Ney put  
12 their officers out in plainclothes, in disguise. We also  
13 use our secretarial staff and other people who they don't  
14 know and we kind of I guess the word would be fake the  
15 cabdrivers out and say we want to go three blocks and see  
16 if they turn us down. We also have a dog that we use with  
17 a setup for a blind man to see if someone comes and says,  
18 no, I won't take you or if they will, assuming the man  
19 can't see, to see if they'll charge him another fare. We  
20 do many undercover operations, including calling from the  
21 airport where we have a flat fare fee and seeing if the  
22 drivers overcharge. We've caught a few. They've gotten  
23 heavy fines, lengthy suspensions, or expelled.

24           We don't believe we have that problem in  
25 Philadelphia anymore because, as I said earlier, we have a

1 love-hate relationship with the people who we regulate.  
2 They need us and we need them to perform good service. But  
3 as regulators -- and we all sit here and we all have an  
4 enforcement background; for those who know the Parking  
5 Authority, we do other things -- we hold people to a high  
6 standard.

7           When we were given this responsibility, it was  
8 the Legislature who gave it to us, and we came down very  
9 hard in the beginning on those who we regulate because they  
10 had to be straightened out. We don't have much of that  
11 problem at all and I can put my reputation on that,  
12 Representative.

13           MAJORITY CHAIRMAN GODSHALL: Representative  
14 Daley.

15           MINORITY CHAIRMAN DALEY: I'm sorry,  
16 Mr. Chairman, but real quickly, Vincent, I really  
17 appreciate your comments to those cabdrivers that went to  
18 Chairman Godshall's district office. On behalf of all the  
19 Members of the General Assembly, the people on this  
20 Committee, we deal with a lot of issues that could  
21 endanger, people coming to our office all the time, and by  
22 doing what they did really was not the wisest and most  
23 prudent thing to do and I'm sure that you advised them that  
24 because we deal with these issues all the time in many  
25 different levels and many different places throughout

1 Pennsylvania. I appreciate your efforts to explain it to  
2 them that was not the right thing to do.

3 In western Pennsylvania we're a little different.  
4 We talk. Mr. Campolongo and I talked. He talks to us. I  
5 know in Philadelphia you have a little bit different  
6 enthusiasm. I watch the Eagles games. It's a  
7 Steelers/Eagles thing. We do things differently. And I  
8 appreciate your comments you made, especially on behalf of  
9 my Chairman because he really didn't deserve to have all  
10 this cabs in front of his office and doing what was  
11 happening that day.

12 MR. FENERTY: Chairman Daley, I even went on the  
13 record at our last Parking Authority Board meeting because  
14 one of the individuals, the main individual who was the  
15 leader of that group, came to our board meeting and my  
16 Director's report to my board I explained to them what  
17 happened. I was interrupted four times by the same  
18 individual, and each time I told him to sit down because we  
19 allow public comment at the beginning. And he was called  
20 out of order four times and told to sit down.

21 And I came up early this morning to see Chairman  
22 Godshall because I haven't seen him since to personally  
23 apologize before this meeting, and I told him I would send  
24 him a copy of the transcript of that meeting where I told  
25 them they deserved a public apology to Chairman Godshall.

1 I will also send you a copy of that transcript because I  
2 feel very strongly about what happened to Chairman Godshall  
3 or what could have happened to any other elected official.

4 It's wrong when you do that. It's wrong when you  
5 disrupt a community. And I've been to Chairman Godshall's  
6 office. It was a number of years ago. It's in a shopping  
7 center. They disrupted a business, okay? I believe it was  
8 wrong.

9 Bob, as I know him, is a kind gentleman who would  
10 never, ever turn anyone down for a meeting and I felt very  
11 bad when he called me on the phone. He was quite upset and  
12 I felt very bad. He did not deserve it. And I have  
13 publicly made those statements. And if people don't like  
14 those statements, this is America and I'm allowed to make  
15 them.

16 MINORITY CHAIRMAN DALEY: I appreciate it and Bob  
17 and I've served 32 years together shoulder to shoulder, arm  
18 to arm, regardless of our party differences, and he's a  
19 great man. And I appreciate what you've done but it really  
20 rallies all of us in support of Bob to protect him and any  
21 other Member that would happen to.

22 MR. FENERTY: Right.

23 MINORITY CHAIRMAN DALEY: Thank you.

24 MR. FENERTY: If Bob was a little bit closer when  
25 the call came in, I would've had my uniform inspectors

1 there, but unfortunately, we own many vehicles and one is  
2 not a helicopter.

3 MINORITY CHAIRMAN DALEY: I understand. Thank  
4 you---

5 MR. FENERTY: Okay.

6 MINORITY CHAIRMAN DALEY: ---for your effort.

7 MR. FENERTY: Thank you.

8 MAJORITY CHAIRMAN GODSHALL: I just want to say  
9 apology accepted. And the biggest controversy I have with  
10 my Co-Chair is the Steelers and the Eagles and we're still  
11 four and one.

12 MINORITY CHAIRMAN DALEY: Yes, but you only have  
13 one Super Bowl ring and we have I think five or six.

14 MR. FENERTY: Being a good politician, I'm from  
15 Philadelphia but I take the 5th Amendment. Thank you.

16 MAJORITY CHAIRMAN GODSHALL: Thank you. And at  
17 this time our next panel is Sam Marshall, President and CEO  
18 of the Pennsylvania Insurance Federation; and Scott Cooper,  
19 Legislative Policy Chair for the Pennsylvania Association  
20 for Justice.

21 Gentlemen, we do have a 10-minute time limit. To  
22 allow for questions, we would appreciate your recognizing  
23 that. Go right ahead.

24 MR. MARSHALL: Thank you. You have my remarks so  
25 I'm not just going to read them.

1           I would say I was here on Tuesday and I had a  
2 chance to stop by the Uber rally in the Rotunda and it was  
3 impressive. There were brightly colored T-shirts,  
4 wonderfully done video displays, and there was a wall of  
5 boxes and each one was meticulously labeled 1,000  
6 petitions. And it was a massive wall. And at the end I  
7 saw one of the fellows from Uber and he was cleaning up  
8 afterward and he picked up three boxes with one hand and I  
9 thought, man, those guys from Uber, they're super people.  
10 That's amazing.

11           And I went over and I picked up one of the boxes  
12 and I was able to pick up easily. I turned it upside down  
13 and it was empty, didn't have 1,000 petitions in it; it was  
14 an empty box. And I think that that's a metaphor for the  
15 challenge that you have before you. As you craft  
16 legislation for what can be and should be an innovative and  
17 valuable service, a valuable component in public  
18 transportation, you have to make sure that it's not an  
19 empty box.

20           We were a party at the PUC hearings in late  
21 August and September. I thought that they were fair and I  
22 thought that they were extensive by the Administrative Law  
23 Judges. They weren't constrained by some antiquated  
24 statutory notion. They were constrained by a very clear  
25 and simple dictate and that is public protection and public

1 safety. And I would encourage anybody to read those  
2 decisions.

3 I would say from that and from some of the other  
4 hearings we've been through we would recommend some  
5 cornerstones as you try to make sure that the box that you  
6 create for these entities isn't empty.

7 First, I don't think legislation should be either  
8 pro-Uber and Lyft or anti-Uber and Lyft. I think too often  
9 it's been phrased as are you stifling innovation or are you  
10 allowing innovation, and you either have to give a carte  
11 blanche or a roadblock. I don't think it's a matter of  
12 that. This has been dealt with in a number of States and  
13 other jurisdictions and balances have been found whether  
14 it's in Colorado, California, a number of localities, and I  
15 would encourage you to look at those.

16 I would also encourage you to read through the  
17 Administrative Law Judge's decision in the Uber case  
18 because I think that was instructive on why they  
19 disapproved, where the weaknesses are, what needs to be  
20 shown in terms of assuring public safety not just in the  
21 insurance component -- that's obviously my concern -- but  
22 in the driver integrity program, in the driver training  
23 program, and the consumer awareness.

24 I would say the second cornerstone, make sure  
25 insurance is in place. We've had some debates about who's



1 supposed to provide insurance when, but you need to make  
2 sure that it's there. You can say, well, I think the  
3 driver should be responsible, I think the ridesharing  
4 company should be responsible. There are a lot of  
5 different ways you can do it, but if you don't have it  
6 there, you're going to have a problem. Insurance is one of  
7 those things nobody really cares about until they do, and  
8 when they do care about it, it's paramount.

9 I would say, as you deal with that insurance  
10 requisite, however you do it, I would recommend two  
11 absolutes in whatever legislation you might craft: first,  
12 that the ridesharing company should have an affirmative  
13 responsibility to make sure that its drivers have proper  
14 coverage and it has to be from when the app is on to when  
15 the passenger leaves the car because otherwise the personal  
16 auto policies simply aren't going to cover it and you're  
17 going to have a gap in coverage; second, you do need to  
18 make sure of that app-on scenario.

19 Understand auto policies, every personal auto  
20 policy, every one you have, all of us in this room have  
21 what are called livery exclusions. We don't cover when  
22 somebody is making his car available for hire. We may  
23 ultimately do that through the form of separate riders or  
24 endorsements and we'll charge separate premiums, but right  
25 now, that's not there. People can play some annex and say,

1 well, I can read company A's livery exclusion to actually  
2 maybe cover that on-app scenario. I would caution you  
3 companies will adjust. It's true we didn't have livery  
4 exclusions that envisioned on-app scenarios. We'll change  
5 our policies. Companies will do that. They're already in  
6 the process of doing that across the country.

7 I appreciate that sometimes the ridesharing  
8 companies say, gee, that's not fair to us because a driver  
9 just may be perpetually on-app and all of a sudden we're  
10 paying for his coverage. That's really a problem that I  
11 think they can handle. They're the ones who have all the  
12 technology to monitor when people are on-app. I mean  
13 frankly if I have an employee who's stealing paperclips,  
14 that's my problem to monitor. That's not for the  
15 legislation to deal with and that's not for some third  
16 party to deal with.

17 A third cornerstone, I do think that any  
18 ridesharing company, Uber, Lyft, whoever it may be, should  
19 disclose their insurance programs and the insurance issues  
20 to the prospective drivers. As we learned a lot about  
21 this, frankly the people who have the most to risk are  
22 people who become drivers if they don't understand all of  
23 the insurance exposure that they're going to have. It's  
24 not just that whatever coverage they get from Uber and  
25 Lyft, it's what gaps they may have in their personal auto

1 policies, and it's particularly true if you have a car loan  
2 or a lease. It is your leasing company saying, gee, okay,  
3 it's okay with us if you become a part-time cabdriver using  
4 the car on which you have a loan.

5 We talked about it with some of the ridesharing  
6 companies and they say, well, they don't want to get  
7 involved in their drivers' personal contract with their  
8 auto insurers. That's fine. I'm not asking that they do  
9 get involved with that. What they should do and what the  
10 PUC had ordered back in late July, what they should do is  
11 say, you know what, driver? Check with your insurance  
12 agent. Check with your insurance company to make sure that  
13 you don't have some unintended gap, some unintended  
14 exposure in your personal auto policy. I think that's an  
15 important advisory deal and ultimately what you want are  
16 educated drivers about it.

17 The fourth cornerstone would be to make sure that  
18 the ridesharing company educates its drivers about what to  
19 do in the event of a claim, what insurance information do  
20 they produce? What number do they tell the claimant to  
21 call? It's one of the things when you go through a trial  
22 you have a chance, both sides, in the Administrative Law  
23 proceedings before the PUC, all sides had a chance to  
24 question each other. It's a trial so it's adversarial but  
25 it's a multi-week trial so it ends up being somewhat

1 collegial.

2           And one of the things the PUC judges found --  
3 there was ultimately a finding -- the ridesharing companies  
4 really didn't have a program for training their drivers in  
5 terms of what number to call, what insurance information to  
6 give, how a claimant is to proceed. It's not hard, it's  
7 not expensive to do, but it needs to be done. I mean  
8 frankly it can be as simple as saying here, driver, here is  
9 an insurance card that you keep in your glove compartment  
10 just like you do with your personal auto insurance, and  
11 when you get in an accident and you're on-app or you have a  
12 passenger, you give him this insurance card. It has the  
13 number to call; it has how to proceed with the claim. I  
14 think that that's important.

15           The fifth cornerstone, I think you do need to  
16 have the PUC with the power to review what type of  
17 insurance the ridesharing company proposes, what it has.  
18 Again, things you learn when you go through a trial, the  
19 ridesharing companies in their applications right now  
20 before the PUC -- and the Administrative Law Judges picked  
21 up on it -- they had programs of surplus lines carriers,  
22 nothing wrong with that, but when they went through and  
23 they talked about what the surplus lines carrier knows, the  
24 surplus lines carriers didn't know who the drivers were.  
25 The surplus lines carriers weren't doing any independent

1 verification of the qualifications of whatever drivers they  
2 were going to insure. They didn't check the vehicles they  
3 were going to insure. And in fact, when claims were  
4 submitted, the claims weren't going to the surplus lines  
5 carriers; they were going to the ridesharing companies.  
6 That was the way they envisioned handling it. There's  
7 nothing necessarily wrong with that. That's really a  
8 fronting arrangement more than a standard insurance  
9 coverage deal, but that's the type of thing that should be  
10 developed so that you have some fiscal soundness in that  
11 insurance program.

12 I think that's not that hard to do. I mean in  
13 the world of insurance that's what you do all the time. We  
14 can argue about all the details on it, but I think that in  
15 any legislation that you would craft to bring in this  
16 innovation in a responsible way, I think those cornerstones  
17 are cornerstones you need to have. Thank you.

18 MAJORITY CHAIRMAN GODSHALL: Thank you, Sam.

19 Mr. Cooper.

20 MR. COOPER: Thank you, Chairman Godshall,  
21 Chairman Daley. You have my written testimony.

22 I think this is obviously an opportunity and I  
23 think it shows, just Sam and me both being here, the trial  
24 lawyers and the Insurance Federation, basically agreeing on  
25 a lot of the same issues shows how important this issue is.

1 And it's important, as Sam said, this is an opportunity but  
2 I think the General Assembly needs to get it right. I've  
3 had the same problem in Pittsburgh getting from the Weston  
4 to I think it's Station Square. You can't get a cab. So  
5 there is clearly a need for the service, but at the same  
6 time, you can't just put the cart before the horse because  
7 there's a need for it. It just needs to be done properly.

8           One of the things as far as legislation, I'm not  
9 going to regurgitate what was just said, but a few other  
10 things are that not only the PUC have some say in  
11 overseeing the apps and the insurance policies but the  
12 insurance department. The insurance department is actually  
13 who's going to review the policies. In this case I think  
14 they use James River and there's a lot of loopholes or  
15 problems in the main one that needs to be looked at,  
16 particularly the gap that was mentioned, that when you look  
17 at the gap itself, when the app is on to when the person  
18 gets the fare for lack of a better term, that's probably  
19 the most dangerous part because that's when the most  
20 distraction is going to occur. The app is on, the person's  
21 kind of looking down, trying to see when they're going to  
22 get called, and that's where this gap where there'd be no  
23 coverage.

24           And the insurance companies have already started  
25 putting in their policies to cover for the exclusion, the

1 ridesharing. There's the livery exclusion but there have  
2 been certain cases that you can argue the livery exclusion  
3 wouldn't apply. More and more companies now on their  
4 filings have started putting in specific exclusions for  
5 liability, uninsured, underinsured, first party, and  
6 comprehensive, that there is no coverage if you're using  
7 the car for personal ridesharing. So that's already being  
8 in there.

9           So not only should there be the oversight in the  
10 gap taken into consideration, but also we'd like to see the  
11 liability limits just on the main personal injury looked at  
12 since they haven't been looked at since 1974.

13           A few things that aren't in my testimony that I  
14 think is important for any legislation, if you look at the  
15 websites actually where the person downloads the app,  
16 there's a few things that would be of concern at least to  
17 us. Mainly Uber and Lyft, they act as brokers. They're  
18 just the app and they hook up the driver with the person  
19 who's seeking the car. They're just the app that's  
20 downloaded and then you pay them. What they have on at  
21 least one of the websites is you basically -- as the  
22 customer, any disputes with them go to binding arbitration,  
23 which we have a problem with as the House Bills and things  
24 like that. When you just sign up for it, you're going to  
25 binding arbitration.

1           In addition, when you're signing up for the  
2 service, it says in at least one that you can give them the  
3 right to send -- they're going to give your information and  
4 you're going to get advertisements from advertisers that  
5 they use to help to subsidize the app. You can opt out of  
6 that but you need to do it in writing, and if you do it in  
7 writing, then they're going to charge a higher fee. So  
8 they're basically going to pass off not being able to send  
9 you the advertisement on the customer. They're going to  
10 charge you a higher fare.

11           And then last, there's also something in there  
12 that says -- and I was just reading it this morning so I  
13 haven't digested it totally -- but basically if you had to  
14 summarize it says you can't sue us for our third party's  
15 actions for punitive damages or even personal injury or  
16 anything despite what representation someone else may have  
17 made. Now, we'd have to look into but the legislation can  
18 be crafted that says if Uber, Lyft, or someone hires a  
19 driver that has a criminal record and someone gets  
20 assaulted in the cab, you can sue them. So that's the last  
21 thing to look at. Thank you.

22           MAJORITY CHAIRMAN GODSHALL: Thank you. I have  
23 one question for Sam. Your five cornerstones, all the cabs  
24 in Pennsylvania, do they operate under the same five  
25 cornerstones that you are proposing here?



1           MR. MARSHALL: You know what, I couldn't answer  
2 that. I would say from having gone through the PUC  
3 hearings on it, these were the elements that at least the  
4 Administrative Law Judges in those cases suggested were a  
5 part of the general review of cab services. Some of them,  
6 for instance, make sure insurance is in place. Insurance  
7 is in place on the cab all the time. That's part of the  
8 requirements for becoming a cab. In terms of the driver  
9 knowing who his insurer is, my understanding, part as a  
10 person who uses cabs in the Philadelphia area, the  
11 insurance card that they have in their glove compartment is  
12 the insurance card that comes from the cab coverage.  
13 They're not both personal and cab vehicles. They are  
14 exclusively cab vehicles.

15           The liability for a cab company operates when the  
16 cab is on the road. You are on duty. When you click the  
17 light on, you're on. So I think that those cornerstones do  
18 apply. If they don't, I think they should.

19           MAJORITY CHAIRMAN GODSHALL: Okay. As you were  
20 going through your testimony, I was just saying if these  
21 cornerstones are vital for Uber and Lyft and so forth, they  
22 should be vital for the taxicabs, and if they aren't, the  
23 taxicabs have been operating in this State for a long, long  
24 time without them. I'm just saying if it's vital, they  
25 should be there. If they're not vital, why wasn't there a

1 problem over the last number of years?

2 MR. MARSHALL: And I actually think that's a good  
3 point, Mr. Chairman. I think some of them, Uber and Lyft,  
4 would say that these are new services. What you have that  
5 is new here -- and we'll use one of the cornerstones by way  
6 of example, which is that the Uber or Lyft driver should  
7 consult with his insurance company. Unlike in a normal cab  
8 scenario, the Uber or Lyft driver is creating by virtue of  
9 becoming a driver his own personal insurance exposure  
10 because he's using his personal vehicle. He has some  
11 personal liability that may attach. That's a unique  
12 setting that isn't found in the traditional cab setting.  
13 That's something where when you're going to have a car  
14 that's going to have a multiuse, it can be done; there's  
15 nothing inherently wrong about it, there's nothing  
16 inherently onerous or burdensome about it, but it is  
17 something where I think an Uber driver would have a greater  
18 incentive to talk with his personal auto insurer than a  
19 normal cab driver because he's using his personal vehicle.

20 MAJORITY CHAIRMAN GODSHALL: Okay. Thank you.

21 Representative Molchany.

22 REPRESENTATIVE MOLCHANY: Thank you,  
23 Mr. Chairman, and thank you for your testimony.

24 Just anecdotally, I'm a full tort kind of driver  
25 myself so I understand liability and coverage and the

1 importance of that.

2 I have a couple questions. You mentioned earlier  
3 that products and riders and things for this type of use of  
4 the vehicle could be developed, and I guess my first  
5 question is have riders for people who use their personal  
6 vehicles as TNC drivers for companies like this, have those  
7 riders or insurance products been introduced or developed  
8 or sold another States where it's a situation where we can  
9 just introduce those similar product lines of coverage in  
10 our State? So if I'm a personal driver and there is a gap  
11 that exists and I want to be an Uber or Lyft driver, to  
12 account for that gap is there a product in another State  
13 that's already being used there we can maybe implement here  
14 in Pennsylvania?

15 MR. MARSHALL: It's going to vary company to  
16 company. Actually, the analogous deal here in Pennsylvania  
17 is referred to as Amish taxes. The Representative from  
18 some of the Amish areas, you laugh, but there are companies  
19 that have endorsements on cars for insurance that provide  
20 ride services to Mennonites. They use their personal  
21 vehicles for that. So that's the type of thing --  
22 companies right now -- frankly, this is all current events  
23 that's going on. These are all new enough.

24 One of the things to have a rollout on on a  
25 widespread basis, it's a question of are actuaries artists

1 or are they scientists? One of the things that we're  
2 struggling with as an industry -- and individual companies  
3 will make their own marketing decisions -- is trying to  
4 have enough experience so that you can have an accurate  
5 rate.

6 MAJORITY CHAIRMAN GODSHALL: Okay. We have six  
7 more people that are asking questions. If we can shorten  
8 the answers just a little bit, it would help.

9 MR. MARSHALL: Well, it's that delicate balance  
10 between being thorough and being greedy.

11 MAJORITY CHAIRMAN GODSHALL: Yes. Okay. End of  
12 questions also.

13 REPRESENTATIVE MOLCHANY: My second question is  
14 very short, Mr. Chairman. I promise.

15 It's my understanding that State Senator Wayne  
16 Fontana has a bill in the Senate, Senate Bill 1457, which  
17 is modeled after other States. He worked with other  
18 regulatory bodies in other States and the PUC to kind of  
19 craft regulation to regulate the TNC companies and account  
20 for I think a lot of what we're talking about here. Would  
21 you agree that maybe that might be the most comprehensive  
22 of all the packages of TNC regulatory bills that are out  
23 there right now?

24 MR. MARSHALL: I'm a Representative Killion man  
25 myself because I see him there.

1           REPRESENTATIVE KILLION: I don't know if that's  
2 good or bad, Sam.

3           MR. MARSHALL: I don't know if it is either.

4           REPRESENTATIVE MOLCHANY: No offense,  
5 Representative Killion.

6           MR. MARSHALL: But I think Senator Fontana's bill  
7 is certainly in the right direction. Frankly, it came  
8 before the PUC hearings with Uber and Lyft where a lot was  
9 learned. I think Representative Killion and I believe  
10 Representative Mustio also has an amendment that reflects  
11 what I'll call the latest thinking and it goes with a  
12 California approach that was worked out by all parties,  
13 including Uber and Lyft, who supported it. And I think  
14 that that's just that much more refined. I do think that  
15 there are some elements of the PUC Administrative Law Judge  
16 order on that Uber case that would have merit in being in  
17 any Pennsylvania bill.

18           REPRESENTATIVE MOLCHANY: Thank you.

19           MAJORITY CHAIRMAN GODSHALL: Representative  
20 Masser.

21           REPRESENTATIVE MASSER: Thank you, Mr. Chairman.

22           And I think as we just discussed this, we often  
23 times focus on Philadelphia and Pittsburgh where the major  
24 markets are and most of the rides will be, but I see this  
25 expanding in areas such as mine where, quite frankly,

1 taxicab services aren't always available; mass transit just  
2 isn't there or available. So this "when the app is turned  
3 on" thing scares me a little bit as to turning off drivers  
4 because I think those drivers would be more people that are  
5 just running their errands, and should a ride pop up, then  
6 they're for hire more than likely as compared to a  
7 Pittsburgh or Philadelphia. So this one-size-fits-all  
8 concerns me because of the different dynamics of the  
9 different parts of the State. How do you see that?

10 MR. MARSHALL: I think that that's relatively  
11 easily handled. I mean when you're on app, you're on app.  
12 You are available for hire. I guess what you're going to  
13 is are you aggressively for hire or are you almost  
14 incidentally for hire? What you really look for is to make  
15 sure -- and I understand from Uber and Lyft and they say,  
16 well, we're worried about a driver just abusing it and  
17 hiding behind our coverage. He won't be able to let his  
18 personal auto coverage lapse. If he does that, he's going  
19 to have his vehicle registration suspended, and he's going  
20 to have trouble getting insurance because when he does go  
21 to reapply because he's getting his car inspected or an  
22 annual renewal comes up, he's not going to be able to get  
23 regular insurance. He's going to go into the substandard  
24 market. So he's not going to drop his personal auto  
25 insurance. I can't say everybody won't but there will be

1 real penalties to bear if he does.

2           If he's just on app and not accepting rides, I  
3 mean I would think a ridesharing company could say, look,  
4 you know, you've been on app for 12 hours and you didn't  
5 accept a ride. Much like on your personal computer, if you  
6 don't use it for a period of time, it goes dark. It shuts  
7 off automatically. I would think that you would do that  
8 here. I don't think, though, that that's going to  
9 discourage drivers.

10           REPRESENTATIVE MASSER: Thank you.

11           MR. COOPER: And that's the one thing in the  
12 insurance policies, just real quick, it really should be  
13 you turn on the app, you're covered by one; it's not on,  
14 you're covered by the other because then it gets ambiguous.  
15 You end up with more litigation over who's going to cover  
16 it.

17           MAJORITY CHAIRMAN GODSHALL: Representative  
18 Matzie.

19           REPRESENTATIVE MATZIE: Thank you, Mr. Chairman,  
20 and thank you both for your testimony. Quite frankly, I  
21 think you're the most important part of the panel because I  
22 think the consumer is who you are representing and  
23 obviously the drivers of the vehicle as well relative to  
24 the insurance aspect of it all.

25           But I believe, quite frankly, we've been given

1 some mixed signals from the PUC based on what the  
2 Administrative Law Judges have said and what the  
3 Commissioners have said. Unfortunately, they didn't agree  
4 to come today so we can't really grill them here, but I'm  
5 glad that we've slowed down the process. I know there was  
6 a rush by some to get this done, get something done from a  
7 legislative perspective and get it done before the end of  
8 the session. Obviously we've just a couple of days left in  
9 this legislative session; the likelihood of legislation  
10 occurring next week is slim and none.

11           However, having said that, I tend to believe that  
12 for something that's this important, and it is because  
13 we're dealing with people's livelihoods from a cab  
14 perspective, we're dealing with the consumer protection and  
15 safety of attentional riders, and that's been the paramount  
16 issue that I've had is the rider, that person in that  
17 tavern at 2:00 a.m. using their app to get a ride and then  
18 that vehicle on the way home gets into an accident and all  
19 of a sudden they find out that there's not enough coverage  
20 and they have to go seek a lawyer and fight that battle.  
21 Let's find a way to make it work for everybody.

22           I'm not against any of the ridesharing companies,  
23 but at the same time, we need to make sure we get this  
24 right. So slowing it down, I believe, and being the  
25 devil's advocate, asking those questions and ensuring that



1 we have the adequate language in place in statute to ensure  
2 that the insurance aspects are taken care of and the  
3 consumer is protected.

4           Having said that, Sam, have you actually had any,  
5 from a stakeholder perspective, discussion with the  
6 ridesharing companies about the concerns you have other  
7 than in a similar forum like this? Has there been a sit-  
8 down per se with the ridesharing companies about the  
9 concerns that you have for who you represent?

10           MR. MARSHALL: Yes. That's why I mentioned the  
11 two weeks of trial that we had with both of the companies,  
12 and we weren't necessarily invited into those proceedings  
13 but we were denied standing initially and then, by a narrow  
14 decision actually, were granted standing. But you have two  
15 weeks of trial and, me, I'm a reasonably outgoing fellow,  
16 hard for me to just be that well-behaved or quiet for two  
17 weeks, and so we did have talks. We had talks on the stand  
18 and on the record and sort of a form Q&A and we had our  
19 witness Jonathan Grier and they were able to Q&A him and  
20 cross examine, but you also had -- you're out in Pittsburgh  
21 for a couple weeks, you just talk. I mean you're using the  
22 same vending machines and all that. You get to know them.  
23 And we said why don't we talk about this? We're not  
24 opponents here. This is not an us-versus-them, somebody's-  
25 got-to-win, somebody's-got-to-lose deal. And the door is

1 open.

2           And I think actually in fairness to the  
3 Administrative Law Judges -- and I've seen some editorials  
4 from out your way that have been very critical of them --  
5 when you read their decision, you need to show us -- I mean  
6 you say all the right things but now you need to show us in  
7 your application where you formally mean to do that.

8           Interestingly in the course of the hearing we  
9 didn't have disagreements on consumer disclosure, driver  
10 disclosure, making sure the integrity, making sure that the  
11 driver understands the insurance ramifications; we just  
12 didn't have the chance to work out the details on that.  
13 That's what needs to be done.

14           REPRESENTATIVE MATZIE: And that goes back to  
15 what I said about slowing things down, and I thank you for  
16 your testimony.

17           I thank Chairman Godshall and Chairman Daley for  
18 their leadership on this. Just slow it down. Let's ensure  
19 we get it right. Let's not be a rush to judgment. Too  
20 often in this building we're reactionary and we want to get  
21 it done too fast. Let's make sure it's right. Let's make  
22 sure the language is adequate and all bases are covered.

23           And I thank you for your testimony. Thank you.

24           MAJORITY CHAIRMAN GODSHALL: For the record,  
25 Representative Matzie, the PUC was given the opportunity to

1 participate here today and they declined. So I wanted to  
2 let you know that they were invited here.

3 REPRESENTATIVE MATZIE: Thank you.

4 MAJORITY CHAIRMAN GODSHALL: Representative  
5 Ellis.

6 REPRESENTATIVE ELLIS: Thank you very much,  
7 Mr. Chairman. Gentlemen, thank you for being here today.

8 This whole issue we've been dealing with the last  
9 few months pretty intensively and I'm kind of conflicted  
10 because on one hand I believe in a free market; I believe  
11 in competition, and on the other hand I want to protect my  
12 consumers. And I'm kind of hearing today from Sam that we  
13 need strict regulations, and sometimes we're for not a lot  
14 of regulations; sometimes we are. But I think the  
15 consumers definitely are going to need to be protected, as  
16 Representative Matzie said.

17 And so I want to know have you thought about what  
18 kind of coverage like a minimum level of coverage they  
19 have? Is there another State that models what we can  
20 achieve here in Pennsylvania? Is there a level that we can  
21 be at that would be comfortable for the consumers know that  
22 -- because when we get into the car, we don't even think  
23 about insurance. We're getting a ride and we're not  
24 thinking about it, but how do we know that we can get there  
25 and at what level would -- I mean the cabs have a certain

1 level they have to be in. What do you think we should do  
2 for ridesharing?

3 MR. MARSHALL: And I think I covered that in my  
4 remarks. That's actually something for you to set but I  
5 would think that it would be consistent with what you have  
6 for cabs now because that's what they're doing. Now, you  
7 may want to revisit the amount of insurance that you set  
8 for cabs but I would think that that would be the same  
9 amount. To me intellectually it would make sense.

10 I would make one revision just in where you  
11 started. I'm not calling for strict regulation or benign  
12 regulation; I'm calling for effective regulation. Frankly,  
13 I'm calling for the same thing I heard Uber and Lyft  
14 describe. They said here they want commonsense  
15 legislation. So do we. But we all spend time arguing  
16 about is just what is common sense? But you can have  
17 consumer protection and innovation in the same breath, and  
18 that's what we're trying to do here.

19 I think in terms of the amount of coverage, you  
20 would be consistent with cabs, but that's one of the  
21 reasons why it's so important for the driver to consult  
22 with his personal insurer because unlike in a cab setting,  
23 the driver, because he's using his own personal car, is  
24 exposing his own personal assets, and that's where whatever  
25 the ridesharing company provides, he may still need some

1 added coverage through his auto insurance.

2 REPRESENTATIVE ELLIS: I didn't mean to  
3 mischaracterize what you were advocating for. I think  
4 we're on the same page there. But my concern is a lot of  
5 the folks that will be going to work for the ridesharing  
6 companies will choose a minimum level of coverage.  
7 Whatever we set, they're going to go as low as possible,  
8 and that could be potentially a problem.

9 Maybe, Mr. Cooper, you might be able to tell us a  
10 little bit about why that might not be the right way to go.

11 MR. COOPER: Well, and that's one of the reasons,  
12 as part of the overall looking into this, also looking to  
13 increase in the mandatory minimum of \$15,000/\$30,000, which  
14 hasn't been increased since 1974 because the Uber is at  
15 least envisioned as excess. If the person's going to be  
16 using their own private car and exposing their own personal  
17 insurance, to increase that mandatory minimum to 25/50 even  
18 just so it is a higher first level for that person on the  
19 front end. Also for the Uber or the Lyft policies,  
20 California I think has I think two levels. They have the  
21 million for liability if you cause the accident while  
22 you're actually transporting someone, and then if you're  
23 on-app, which is where that gap period is that we were  
24 talking about, it's \$50,000. There's like a different  
25 level.

1           REPRESENTATIVE ELLIS: Okay. Well, I don't know  
2 if either of you gentlemen can make this available to the  
3 Committee, but I think it might be helpful if we knew what  
4 the insurance costs were in the other State and how they're  
5 protecting the consumers in other States. If you have that  
6 available or maybe recommend where we could get that  
7 information as we go through this process over the next few  
8 months---

9           MR. MARSHALL: Yes, I think---

10          REPRESENTATIVE ELLIS: ---I think it would be  
11 very helpful.

12          MR. MARSHALL: Right now the two laws that are on  
13 the books are California and Colorado, and we'll send  
14 copies of that. I think we have but we'll make sure to  
15 highlight that. And I think Washington, D.C., is close to  
16 passing a bill on that that also and we'll send that as  
17 well.

18          MR. COOPER: And those would have to be higher.  
19 They probably have higher mandatory minimums because  
20 Pennsylvania is fourth-lowest in the country.

21          MR. MARSHALL: Well, this is why it's always good  
22 to have Scott and I here together. Actually, Brother  
23 Scott, California is lower than Pennsylvania on the  
24 minimums but I believe higher on the ridesharing end.

25          REPRESENTATIVE ELLIS: Okay. Thank you very

1 much, gentlemen.

2 MAJORITY CHAIRMAN GODSHALL: Thank you. And I do  
3 think if you supplied that information, I haven't seen it.  
4 I would like to see what the other States have.

5 MR. COOPER: Sure.

6 MAJORITY CHAIRMAN GODSHALL: And Representative  
7 Daley.

8 MINORITY CHAIRMAN DALEY: Real quickly,  
9 Mr. Chairman.

10 Just the PUC matter, too bad we don't have  
11 subpoena powers and they would have been here.

12 Mr. Cooper, you said that you're concerned about  
13 the mandatory binding arbitration. I am, too. I'm  
14 concerned about the jurisdiction. Did it mention where  
15 jurisdiction would be?

16 MR. COOPER: I could pull it up but I was just  
17 reading it sitting over there like hmmm.

18 MINORITY CHAIRMAN DALEY: Yes. And I'm assuming  
19 jurisdiction would probably be the State of California as  
20 opposed to jurisdiction in Pennsylvania.

21 MR. COOPER: I would assume it would be -- well,  
22 actually, Uber is incorporated, if you read the agreement,  
23 in Delaware.

24 MINORITY CHAIRMAN DALEY: Yes, but everybody's  
25 incorporated---

1 MR. COOPER: It can't be Pennsylvania.

2 MINORITY CHAIRMAN DALEY: Yes, but it still  
3 doesn't matter. I know many corporations incorporated in  
4 Delaware and we still go to home for them, which would be  
5 California, which would make it really difficult for anyone  
6 to do binding arbitration in the State of California. And  
7 the Hold Harmless clause, as you know, if we could show  
8 gross negligence or willful negligence that that's not  
9 going to stand anyway, but still, it creates an obstacle  
10 for the consumer or the participant or the Plaintiff.

11 MR. COOPER: If you read the whole thing at least  
12 how I read it, once you sign up for the app and download it  
13 and sign up for the coverage, they're basically saying  
14 we're not more than a broker; we're going to hook you up  
15 with a third party and they're going to transport you and  
16 we're just going to bill you and you can't do anything to  
17 us.

18 MINORITY CHAIRMAN DALEY: Well, I don't think  
19 this is Sears Roebuck's catalog service. I mean I think  
20 it's something much different than that.

21 MR. MARSHALL: Chairman Daley, one of the things  
22 you're mentioning there that I think is important and as  
23 you do regulation on this or legislation -- and the PUC  
24 Administrative Law Judges picked up on it -- whatever you  
25 set for insurance you have to make sure that the



1 ridesharing company doesn't supersede or conflict with in  
2 its separate agreement with its drivers or its passengers.  
3 You can have all the insurance you want but if it is  
4 limited in its access through the agreement that a driver  
5 or a passenger signs on to with the ridesharing company,  
6 that negates it. So as you look at the insurance, you also  
7 have to look at any other agreements that impact the  
8 insurance coverage.

9 MINORITY CHAIRMAN DALEY: Thank you.

10 MR. MARSHALL: And I think that's important in  
11 any legislation that you do.

12 MINORITY CHAIRMAN DALEY: I thank you for your  
13 testimony, gentlemen.

14 MAJORITY CHAIRMAN GODSHALL: Representative  
15 Delozier.

16 REPRESENTATIVE DELOZIER: Thank you,  
17 Mr. Chairman.

18 I just had a background question actually and it  
19 relates to as it exists now with taxis, not from the  
20 driver's perspective but from someone getting into the cab,  
21 we have calls into our office on a regular basis about  
22 things that have lapsed, insurance has lapsed, health  
23 insurance, car insurance, whatever, and then something  
24 happened and how do we get coverage for that or how do we  
25 take care of that? My question really goes to the fact of

1 if I get in a taxicab and for some reason technical, paper  
2 not being mailed on time, whatever, there is a lapse with  
3 that driver or that company, right now does that come back  
4 on my personal insurance for medical bills or anything like  
5 that as it exists now?

6 MR. MARSHALL: I believe that you would have  
7 coverage under your personal auto insurance policy through  
8 your uninsured motorist coverage.

9 REPRESENTATIVE DELOZIER: Okay. So that that  
10 could come back on the rider---

11 MR. MARSHALL: It would come back on the rider---

12 REPRESENTATIVE DELOZIER: ---if there was a gap  
13 for some reason?

14 MR. MARSHALL: Correct. It would come back on  
15 the rider, and the only problem is if the rider has no  
16 uninsured motorist coverage. Then they could have a big  
17 issue.

18 REPRESENTATIVE DELOZIER: That's what I was --  
19 okay. And you're saying it's the same type of issue if we  
20 would go to the rideshare or something like that, that that  
21 would be an issue we'd have to address to make sure -- my  
22 fear is that having my own personal insurance is for when I  
23 have an accident or have medical issues obviously due to a  
24 car accident. My concern is that due to a mistake by a  
25 company or by a driver that it comes back on me, because

1 inevitably, when that renewal comes up and I've made a  
2 claim, it just increases rates on consumers. That was just  
3 the concern.

4 MR. MARSHALL: And I would say, Representative,  
5 maybe the Parking Authority could speak as to how it  
6 enforces the insurance requires it has for cab companies.  
7 Certainly the PUC could. But I believe that they get sort  
8 of advance -- so they don't have, gee, the coverage  
9 terminates and nobody knows about it for another month. I  
10 believe that the taxi companies have to evidence that they  
11 have the coverage in advance so that there is some time to  
12 police cab companies that they not be driving around  
13 without insurance.

14 REPRESENTATIVE DELOZIER: Okay. Thank you. I  
15 just did not know how that worked. Thank you very much.

16 MR. COOPER: Right. And, Representative, the  
17 biggest abuse we see as trial lawyers is not necessarily  
18 the cab companies as much as their insurers who are --  
19 there's like only a few companies that insure cabs. I  
20 think one place is in Nebraska. And they just never  
21 respond half the time, and that's one of the reasons we  
22 would like to see the insurance department brought into  
23 this because then you end up going to the PUC and the PUC a  
24 lot of times is not effective.

25 MAJORITY CHAIRMAN GODSHALL: Thank you very much,

1 gentlemen.

2 MR. MARSHALL: Thank you.

3 MAJORITY CHAIRMAN GODSHALL: The next presenter  
4 is a panel consisting of James Campolongo, President and  
5 CEO of the Pittsburgh Transportation Group; Danielle  
6 Friedman, representing the Pennsylvania Taxi Association  
7 and Philadelphia Cab Association; Edward Burkhardt, Vice  
8 President of All Threes Luxury Sedan and Taxicab; and  
9 Ronald Blount, President of the Taxi Workers Alliance of  
10 Pennsylvania.

11 MR. CAMPOLONGO: Good morning.

12 MS. FRIEDMAN: Good morning.

13 MR. BURKHARDT: Good morning.

14 MAJORITY CHAIRMAN GODSHALL: Good morning. And  
15 we would appreciate -- we're running way over time and if  
16 you would condense your testimony because there's four  
17 presenters here. And please identify yourself as far as  
18 the transcript for this meeting as you speak.

19 MR. CAMPOLONGO: My pleasure. Good morning.  
20 Chairman Godshall, Chairman Daley, thank you for allowing  
21 us to speak on this issue. My name is Jamie Campolongo.  
22 I'm the President and CEO of the Pittsburgh Transportation  
23 Group, which owns Yellow Cab Company of Pittsburgh and also  
24 owns Yellow Z, a rideshare company in Pittsburgh.

25 I just wanted to address your concern that you

1 asked Sam about the five cornerstones. As an operator, we  
2 are held by all five of those pillars as we currently  
3 operate today. Pittsburgh Transportation Group is a  
4 company of over 800 vehicles. We've done things as large  
5 as the entire transportation movement for the G20 in  
6 Pittsburgh and things as small as a person with a  
7 disability, blind with a service dog in an economically  
8 challenged neighborhood in Pittsburgh, so we kind of run  
9 the gamut of all the areas of transportation in the PUC.

10 Last March, as we saw the industry changing, we  
11 applied for transportation network experimental service  
12 with the PUC. We were subsequently granted that  
13 application and currently are the only licensed and legal  
14 TNC operating in the State of Pennsylvania. We operate  
15 very similar to every other TNC with private individuals'  
16 vehicles except our vetting process for us is very  
17 different. Our drivers are required to go to a six-hour  
18 training program, and during that training program, their  
19 vehicles are inspected by certified mechanics in our garage  
20 to the same rigors that it would be for a taxicab that  
21 exceed the Pennsylvania State inspection qualifications.  
22 During that training session, they get passenger  
23 assistance, service animal training, an overview of the PUC  
24 rules and regulations, and of course, how to operate the  
25 app while they're training.

1           Our insurance, again, is dissimilar to other  
2 TNCs. Because we vet our drivers and do their criminal  
3 background checks and inspect their vehicles, we don't view  
4 the liability of a personal car any different than the  
5 liability of a Yellow Cab that has gone through the exact  
6 same rigors to qualify. So in that case we actually issue  
7 the driver an electronic insurance certificate. We  
8 indemnify his insurance company in writing against any  
9 claims that arise from operating the TNC, and he is insured  
10 from the time that app is turned on and he engages himself  
11 in service until the time the app is turned off and he  
12 takes himself out of service.

13           And as these bills and legislation move through  
14 both Houses here, I think it's important that as President  
15 of this State association, taxi association, and  
16 paratransit association that we don't lose sight of  
17 traditional taxicab service.

18           We heard questions today of whether there are  
19 enough drivers in a TNC company on a Friday and Saturday  
20 night, and quite frankly, the answer is we have no idea  
21 because these are casual drivers and there's no need for  
22 them to come out if they don't feel like coming out and we  
23 can't force them to come out. So I think it's paramount  
24 that as we go through this that we don't lose sight, that  
25 we don't tilt the table so we destroy traditional taxicab

1 service that services hospitals, people with disabilities,  
2 hither, nether, and yon all corners of this Commonwealth.

3 We are going to propose in some of these  
4 legislations a concept called taxi TNC, a very simple  
5 concept that allows current taxicab operators to compete  
6 with larger companies like Lyft and Uber and, quite  
7 frankly, companies of our size. And what it would do is  
8 because a taxi company who is already licensed and operates  
9 in the Commonwealth and has a certificate of public  
10 convenience, they would be allowed to do a letter  
11 application to the PUC and become a TNC without any delay  
12 and without any further action from the PUC providing that  
13 they would comply with whatever requirements that the  
14 legislation puts on the taxi TNC designation.

15 That would allow us to immediately compete. As  
16 Lyft and Uber have told you that they don't fit into our  
17 regulatory scheme, quite frankly, we don't fit very fairly  
18 into their regulatory scheme. And this would create a  
19 third scheme that would allow for competition.

20 And as you go further through the regs with  
21 issues of insurance and all the other regulations, I would  
22 caution you that we believe that the insurance issue is  
23 probably the most paramount to this thing, but artificially  
24 high insurance levels creates a noncompetitive environment  
25 for smaller companies who could never achieve to purchase

1 that insurance, same as artificially low insurance limits  
2 would be dangerous to the public.

3           So we will also propose antiquated regulations be  
4 modernized in these things because if we're going to do a  
5 comprehensive bill to adjust transportation services  
6 throughout the Commonwealth, then we ought to affect all of  
7 these. The last time these regulations were looked at was  
8 in the '80s. So as you can see, they don't allow for any  
9 flexibility whatsoever. And there's over 205 taxi  
10 companies in the State of Pennsylvania that do things that  
11 Yellow Z, Lyft, and Uber are never going to do. It's very  
12 important to remember that and protect them to the extent  
13 that at least gives them a level playing field so that they  
14 can operate.

15           Thank you very much.

16           MS. FRIEDMAN: Good morning. Thank you.

17           My name is a Danielle Friedman. I'm here on  
18 behalf of the Pennsylvania Taxicab Association and the  
19 Philadelphia Cab Association, which represents medallion  
20 owners and taxicab drivers in Philadelphia.

21           Before I get into the substance of my testimony,  
22 I just want to state that the taxicab industry and  
23 Philadelphia is not opposed to transportation alternatives.  
24 We just hope that those transportation alternatives are  
25 regulated in a fair way with oversight by the PUC or



1 another State agency, not just self-regulated by the TNCs  
2 themselves.

3           Unlike the TNCs claim, they're not just a  
4 marketplace and they're not just brokers and their  
5 contractors are not small business owners. The TNCs have  
6 hiring and firing power over their drivers, they take 20  
7 percent of their wages, and these drivers are not small  
8 business owners. When you e-hail a driver using one of  
9 these apps, you're not hailing John Doe, Transportation  
10 Company; you're calling an Uber, you're calling a Lyft. So  
11 the savvy marketing and P.R. of these companies shouldn't  
12 sway you to believe otherwise.

13           As far as the issues we're concerned about,  
14 insurance is paramount. Currently, drivers are using their  
15 personal vehicles in a commercial capacity but their  
16 personal policies do not cover the drivers or passengers.  
17 The commercial policies that the TNCs allege they have  
18 leave crucial gaps in coverage and many unanswered  
19 questions, which are outlined in the Administrative Law  
20 Judges' opinions, but some of the most important ones I  
21 feel are that individual drivers in the vehicles are not  
22 listed on the TNCs' insurance policies. They're not given  
23 a copy of a proof of insurance to carry in their vehicles,  
24 so how can the insurer know who it's ensuring, the quality  
25 of the drivers it's ensuring, and the risk that it's taking

1 on, which speaks to the quality of this commercial policy  
2 that the TNCs have. I mean nobody knows, including James  
3 River, the type of risk that James River has assumed  
4 because nobody knows how many vehicles are actually in the  
5 TNC service and who these drivers are.

6 On top of that, passengers and drivers both agree  
7 to a ton of legalese and waivers and agree to hold TNCs  
8 harmless and use the apps at their own risk. That  
9 completely contradicts any sort of insurance coverage that  
10 they may have.

11 Additionally, we talk about on-app coverage.  
12 Well, there's incidents beyond on-app coverage that may  
13 expose passengers and drivers and regular Pennsylvanians on  
14 the road. For example, there have been incidents where TNC  
15 drivers accept hails on the street. In that case, neither  
16 their personal policy would cover the accident if there was  
17 an accident and the commercial policy for the TNC certainly  
18 wouldn't cover it because the app is not turned on.

19 No one can stop these activities because the  
20 vehicles are not marked and designated as TNCs. And I'll  
21 get to markings in a moment, but that type of fraud --  
22 there's huge potential for abuse for that type of fraud.  
23 For example, if a pedestrian is hit and the app is not  
24 turned on, what coverage is provided? This happened in San  
25 Francisco, was well-publicized, and there's currently no

1 insurance coverage that's being provided.

2           Again, the fraud issue with insurance is huge.  
3 When you're driving for a TNC, because the vehicles are not  
4 marked, there is the potential if you do get in an accident  
5 and you're driving in your commercial capacity, you have a  
6 passenger in your vehicle, to present your personal policy  
7 rather than the commercial policy. First of all, they  
8 don't have proof of the commercial policy in their vehicle  
9 so how could they present the commercial policy to anybody?  
10 Drivers aren't educated on what the commercial policies are  
11 and they're not educated on what to do in the event of an  
12 accident.

13           The district attorney in San Francisco says this  
14 type of fraud has been rampant in San Francisco where  
15 drivers will conspire with the passenger, say that he's a  
16 friend, I just picked him up at a bar, shut off their app,  
17 and present their personal policy. The driver has two  
18 options: He either loses his personal insurance policy by  
19 committing insurance fraud or he loses his job with the  
20 TNC. So again that needs to be addressed and I think the  
21 only way to address those loopholes is to have commercial  
22 coverage that ensures the vehicles 100 percent of the time.

23           When you have a taxicab, there's no question when  
24 you get into the taxicab whether you're covered. You are  
25 covered 100 percent of the time; it doesn't matter whether

1 the meter is on, it doesn't matter whether the driver owns  
2 his own vehicle. You are always covered. And at least at  
3 the PPA there's no lapse in coverage. If you don't have a  
4 Form E demonstrating that that cab is covered, the PPA will  
5 shut off your cab and you cannot operate as a taxicab.

6 The other issue here, which we haven't really  
7 talked about today, is driver certification. TNCs have  
8 demonstrated an inability to conduct adequate background  
9 checks of their drivers. They say they conduct background  
10 checks and they're very extensive but it's a lot of bark  
11 with no bite. There's no oversight on their background  
12 checks. How can anyone be sure they're conducting these  
13 checks at all considering the numerous news stories where  
14 violent criminals with lengthy RAP sheets have been allowed  
15 to drive for TNCs throughout the country?

16 Additionally, TNCs have demonstrated a complete  
17 disregard for the rule of law in this State and elsewhere.  
18 They come into the State and they operate and then they try  
19 to mold regulations to fit their needs. If they're not  
20 going to comply with PUC orders, with court orders, and  
21 they operate unlawfully outside of Allegheny County  
22 currently, how are we supposed to trust TNCs to vet their  
23 owner drivers without any State oversight?

24 Again, this is a public safety issue. This is  
25 not for the benefit of taxicabs. This is not for the

1 benefit of limousine companies. This is for the benefit of  
2 all Pennsylvanians. These TNCs need to answer to somebody.

3 And again, in the same vein, driver certification  
4 will ensure that drivers are trained to handle disabled  
5 passengers and pick up passengers who may not be the  
6 traditional TNC consumer.

7 And I also want to touch on vehicles and  
8 inspections and markings. Again, you cannot trust the TNCs  
9 to perform their own vehicle checks. There needs to be  
10 some sort of oversight. These are commercial vehicles and  
11 they need to be treated accordingly. TNCs don't perform  
12 their physical checks and commercial vehicles naturally  
13 have more wear and tear. And these vehicles need to be  
14 inspected, for example, as the PPA inspects taxicabs, twice  
15 a year. There's no excuse why TNCs shouldn't comply with  
16 such regulations.

17 Again, the markings, number one, avoid insurance  
18 fraud. If you're in a TNC vehicle, there's no question  
19 that you're in a TNC vehicle. If you're in an accident  
20 with a TNC, there should be no doubt that you will be given  
21 a copy of a commercial proof of insurance. Why leave this  
22 room for error?

23 Without markings also the public is at risk for  
24 fraud. Anyone can claim that they're a vetted TNC driver  
25 if they see someone standing on the street and say, yes,

1 come on, get in; I work for Lyft, I work for UberX.

2 Markings would prevent this.

3           Lastly, the tariffs and rates of the TNCs need to  
4 be regulated. One, they will put passengers on notice that  
5 there's a set fare. They won't be overcharged. I'm sure  
6 all of you have heard of TNCs' practice of surge pricing.  
7 It's unfair to consumers and it must be avoided. They  
8 shouldn't be able to take advantage of passengers just  
9 because it's cold outside or it's raining or there's a  
10 sporting event and a lot of demand. Additionally, drivers  
11 can estimate what they're going to make when they're out on  
12 a shift and they can rely on set fares that are determined  
13 to be just and reasonable by a State agency.

14           There's really no good reason why the TNCs  
15 shouldn't be able to comply with such regulations. These  
16 are huge companies valued in the billions and there's no  
17 reason why we needed to pass these costs off to consumers  
18 in the form of insurance fraud and the like.

19           So thank you for considering my testimony today.

20           MR. BLOUNT: Good morning. My name is Ronald  
21 Blount. I'm the President of the Taxi Workers Alliance of  
22 Pennsylvania based in Philadelphia.

23           And before I get started, I just want to make it  
24 clear that the Taxi Workers Alliance had nothing to do with  
25 what happened at your office, Mr. Chairman. We would never

1 behave so irresponsibly.

2           So I'm here on behalf of our 1,200 members and we  
3 just want to give like a brief history of what it's like in  
4 Philadelphia. And our comments strictly are for  
5 Philadelphia. We think there is a need for TNCs but we  
6 think Philadelphia may be a little different animal. So in  
7 Philadelphia most drivers are working 12 to 14 hours a day,  
8 6 to 7 days a week. They barely are making above the  
9 minimum wage. There's no health insurance, there's no  
10 workers' compensation, so these drivers are basically  
11 struggling to take care of their families.

12           We have an estimate of 10 million trips per year  
13 in Philadelphia to share with those 3,700 drivers so we  
14 don't know if the market has increased to 10,000 drivers or  
15 15,000 drivers, how drivers are going to be able to do this  
16 full-time. We look at examples; that's all we can look at.  
17 In San Francisco, the San Francisco Metropolitan  
18 Transportation Agency just released a report two weeks ago  
19 saying drivers' income plummeted 65 percent. In Chicago,  
20 one-third of the taxicabs are sitting because of the TNC  
21 entry. The city has just recently sought to reduce the  
22 taxi rental rates and also the credit card transaction fee  
23 because there's a lack of drivers.

24           So then we wonder why was this regulated industry  
25 created in the first place? So there's been three periods

1 in U.S. history when they tried to deregulate the taxi  
2 industry. One was after the Great Depression, another time  
3 was after World War II when the vets came back, and another  
4 time was during the '70s and '80s. Twenty-one U.S. cities  
5 tried to deregulate the taxi industry. All of them had  
6 terrible results. It became where drivers were over-  
7 soliciting. They were aggressive, fighting for fares,  
8 prices were fluctuating back-and-forth, the vehicles'  
9 quality was dropping. In fact, if you look back even  
10 further when they first started to regulate the industry,  
11 in New York City 1937 Mayor LaGuardia, he created the Haas  
12 Act because of these same reasons. And cities across the  
13 country sort of followed it. You've got to have a certain  
14 amount of permits or medallions or franchises per riding  
15 public. So the formula is usually one taxicab per 1,000  
16 residents. In Philadelphia with 1.5 million we have 1,600  
17 taxicabs, a little bit near that ratio. So for us we have  
18 to look at the history because we think that we're going to  
19 repeat it again.

20           And also I'm just going to skip what I gave you  
21 guys.

22           And also we want to talk about customer safety.  
23 So TNCs, they engage in price surging, they follow no set  
24 tariffs. According to the six legislative bills that were  
25 introduced this past session, there was no control in



1 Philadelphia of the Philadelphia Parking Authority to  
2 regulate them, so it wasn't clear how they were going to be  
3 regulated.

4           And also I want to touch on what the PUC judges  
5 were doing and how they asked the TNCs to be patient, why  
6 they looked at this matter, why the legislators looked at  
7 this matter. And the TNCs not just in Pennsylvania but  
8 across this globe, they have been ignoring government  
9 authority and doing what they want and daring to be  
10 penalized. I mean just recently in France and Germany they  
11 were banned because of such behavior, and recently from the  
12 PUC judges themselves came back with a decision because of  
13 this aggressive behavior.

14           So in a way you would like to see them being  
15 managed before they even come in. Before they even come  
16 into Pennsylvania, you want them to have a little respect  
17 for the consumers, for the government, and for the current  
18 workers here.

19           And also I want to talk a little bit about the  
20 TNC drivers themselves. There's been a lot of uproar from  
21 them themselves around this country. One day the insurance  
22 price for them is one price; the next day what they can  
23 charge a customer is one price, and the next day it's  
24 another. So they don't know what they're going to make,  
25 and for them it has created such animosity between them and

1 their companies. And who are they going to complain to? I  
2 mean they reach an app. They reach a voicemail.

3           So we have two concerns in Philadelphia for the  
4 taxi drivers. One, we want the consumers to be safe. Like  
5 in the last couple weeks a TNC driver hit a customer in the  
6 head with a hammer. Another one sexually assaulted a  
7 customer. I mean who's going to stop these kinds of  
8 things? Who's going to protect -- I mean if they do come  
9 to Philadelphia, they have to be regulated by the  
10 Philadelphia Parking Authority. It can't be ambiguous like  
11 who's going to make sure that these vehicles are properly  
12 regulated? As Danielle was saying, there should be some  
13 sort of marking like special license plates or some sort of  
14 color where people can identify that they are actually  
15 getting inside of a TNC instead of a regular car with a  
16 regular plate and not knowing where it's going and who it's  
17 connected to.

18           So I guess our two concerns are customer safety  
19 and our other concern is the drivers. Will they survive?  
20 Will they be able to live? Because again, if you flood the  
21 market with too many drivers, these vehicles, not only TNCs  
22 are going to sit but the taxicabs are going to sit  
23 themselves. And I'm not just making this up. You can look  
24 at the history from where it began in San Francisco to what  
25 went on today. Just yesterday there were seven cities

1 across the globe protesting against these TNCs: London,  
2 Manila, Bangkok, even Philadelphia, San Francisco. So it's  
3 a tough item for taxi drivers, not the taxi cartels, not  
4 the rich taxi owners, but the poor taxi drivers that have  
5 to make a living with this system.

6 So we ask you guys to be considerate especially  
7 in Philadelphia where you guys set up the medallion system.  
8 We're trying to introduce 150 new wheelchair-accessible  
9 taxicabs for people and we were at City Council last week  
10 to introduce a resolution to introduce another 300  
11 medallions into the city. So what is the value of those  
12 medallions? Lastly, what is the value to hard-working taxi  
13 owners that bought their own medallions 10 years ago? They  
14 worked hard to save up just to put 100 or \$200,000 down on  
15 a medallion that's going to be devalued.

16 Thank you.

17 MR. BURKHARDT: Good morning.

18 MAJORITY CHAIRMAN GODSHALL: Good morning.

19 MR. BURKHARDT: Or good afternoon at this point.

20 I'd like to thank the Chairmen and the other Committee  
21 Members for giving me an opportunity to speak today, and I  
22 will not rehash a lot of the same stuff that my colleagues  
23 have already said.

24 I think it's important to start out with Uber's  
25 conduct and history since they've been in operation. It is

1 not uncommon for them to promise and say one thing and do  
2 another. A good example of that is in Philadelphia the PPA  
3 has made them change the tariffs to make sure that they  
4 charge by time only and not mileage. Even after they have  
5 submitted this, they have still gone on to continue to  
6 charge by the miles when it is illegal to do so.

7 Today, if I understood the testimony of the Uber  
8 representative today, they said that they did not operate  
9 outside of Philadelphia or Bucks County. Upon hearing  
10 this, we had the owner's son place an order for an Uber car  
11 in central Bucks County and he was serviced. So it is not  
12 uncommon that they will tell anyone that is listening  
13 whatever they want to hear just to benefit themselves. It  
14 is their concept to just do what they want and ask for  
15 permission or beg for forgiveness after the fact.

16 Part of my testimony is I have submitted a  
17 comprehensive study from Professor Richard Briesch in North  
18 Texas. It's about 35 pages. It deals with the lot of the  
19 financial impacts and the regulatory effects that the TNCs  
20 and the share-riding will have on a community from the taxi  
21 drivers themselves to the consumers and other businesses  
22 and the tourism industries that don't get necessarily  
23 accounted for when we're thinking about the transportation.

24 My colleagues have mentioned insurance and that  
25 is a real concern. There was a girl in San Francisco that

1 was hit and unfortunately was killed, and last time I  
2 checked, it was still under litigation that Uber and  
3 everyone else was denying coverage.

4           Being in the limousine and taxi business, it's a  
5 good thing we have to submit E Forms. It proves to the  
6 general public that we're out there trying to do the right  
7 thing. The cars are regulated.

8           By allowing individuals just hop in a car and  
9 service the public without any regulation I don't think is  
10 a benefit in the long run. It will destroy the industry.  
11 And what happens is who's going to be left to pick up the  
12 consumers when the TNCs feel that it is not in their best  
13 interest to do it?

14           I want to read this one passage from the study  
15 that I think is relevant: "Regulated taxi companies are  
16 required to provide service to all parts of the city at any  
17 hour and forbidden from refusing rides to anyone, including  
18 short-trip rides. While the TNCs do not have explicit  
19 policies excluding parts of the city as a practical matter,  
20 their pricing and other policies do have this effect.  
21 Surge pricing makes the service unaffordable to our  
22 consumers during periods of high demand.

23           Their minimum fair charges have the effect of  
24 raising prices on transportation-challenged individuals who  
25 use the traditional livery providers for basic necessities

1 like shopping, doctors' visits, and trips to or from public  
2 transportation, generally, the poor and elderly and the  
3 disabled. The requirements that consumers have both a  
4 smartphone and a credit card have the effect of eliminating  
5 a large part of the population. A survey in Florida found  
6 that this policy alienates 50 percent of the adults and has  
7 disproportionate effects on minorities and poor  
8 communities.

9           Uber allows its drivers to rate passengers, which  
10 has already been discussed, and I'm sure the shorter trips  
11 or the less inconvenient rides are not getting rated the  
12 highest. What are they to turn to when the traditional  
13 livery industry has been destroyed and no longer exists?

14           In closing, I would respectfully request that you  
15 do not let this bill or similar ones out of Committee, and  
16 if you do for some reason decide that it's in the  
17 consumers' best interest, then at that point I would ask  
18 that you would exclude southeastern Pennsylvania,  
19 specifically Philadelphia and the four surrounding counties  
20 of Chester, Delaware, Bucks, and Montgomery. They have a  
21 very dense livery system in place and would be gravely  
22 jeopardized if they were allowed to operate in the manner  
23 that they're requesting.

24           Once again, I thank you for your time.

25           MAJORITY CHAIRMAN GODSHALL: Thank you for your

1 testimony and thank you for also condensing the testimony.

2 I would just like to ask Mr. Campolongo, in  
3 Pittsburgh, why is there such a shortage of cabs? I've  
4 heard all kinds of excuses.

5 MR. CAMPOLONGO: You do and we're not here to  
6 give you excuses. I can't tell you that. You heard some  
7 information about population and taxicab coverage. We are  
8 120 percent of the taxicab saturation model in Pittsburgh  
9 so we have 360 cabs; we have 290,000 people in population.  
10 We also have five other cab companies who, at their own  
11 discretion, could put on as many taxicabs as they want. So  
12 it's each individual model.

13 But I can tell you that this new taxi TNC  
14 language that allows taxicab companies to expand in periods  
15 of high demand and then contract back down, because Sunday  
16 through Thursday this is a much easier business than it is  
17 on Friday and Saturday evenings, so rather than forcing  
18 companies under strict regulation to have to buy 60 or 70  
19 or 100 taxicabs at millions of dollars that will sit on the  
20 lot Sunday through Thursday, which would cause all fares to  
21 go up because then you'd have to distribute the cost of all  
22 these vehicles across all the fares. So it's not an  
23 excuse.

24 I can tell you that this proactive stuff that  
25 we're doing today, TNCs we think are here to stay. We

1 didn't fight TNCs into the marketplace. Quite frankly, we  
2 had joined them. We embraced the technology. So I think  
3 it will go a long way to fix some service issues in  
4 Pittsburgh, and it'll fix service areas in other places.  
5 So we're excited that you guys are going to consider that.

6 MAJORITY CHAIRMAN GODSHALL: Maybe this is not  
7 the place but just a couple years back I was at a downtown  
8 hotel in Pittsburgh. We called for a cab to go over to the  
9 ballpark. We called for a cab. We called for a cab,  
10 finally walked from the downtown hotel down to the river  
11 across the bridge down to the ballpark, got there in the  
12 third inning. We called for a cab three times from a  
13 downtown hotel and there were no cabs. And that's my  
14 experience but it's been a lot of other people's experience  
15 in that area.

16 MR. CAMPOLONGO: I think your point exactly -- I  
17 mean you were trying to get a taxicab at a period of high  
18 demand; there was a ballgame in town. So clearly when we  
19 have all 360 cabs engaged in service, those people outside  
20 that number have to wait longer or in some cases don't get  
21 cab service at all. These new regulations that would  
22 loosen regulations for taxicab companies would allow the  
23 flexibility so that you don't encounter the same problem  
24 again when you're in Pittsburgh.

25 MAJORITY CHAIRMAN GODSHALL: Yes. I have never



1 had a problem in Philadelphia getting a cab.

2 But another question I wanted to ask, Danielle,  
3 you said the background check you think is suspect as far  
4 as what these companies do because there's no oversight.  
5 Who does oversight on your background checks?

6 MS. FRIEDMAN: The Philadelphia Parking  
7 Authority. They oversee all criminal record checks; they  
8 verify that they were conducted and I believe they also  
9 conduct their own background checks.

10 MAJORITY CHAIRMAN GODSHALL: Okay. I was just  
11 wondering if you were pinpointing an agency out there or  
12 something. But in Philadelphia it's the Parking  
13 Authority---

14 MS. FRIEDMAN: Right.

15 MAJORITY CHAIRMAN GODSHALL: ---that has  
16 oversight on that.

17 MS. FRIEDMAN: Well, I believe the PUC could be  
18 equipped to conduct this background checks or another --  
19 you know, I'm not familiar with every single regulatory  
20 agency, but just somebody to check what these companies are  
21 doing. There's no debate that these services may be needed  
22 and I don't think anyone on this panel is against  
23 alternative transportation options but they just need to be  
24 regulated appropriately. It can't just be self-regulated  
25 by TNCs. Obviously the TNCs are interested in their own

1 bottom line and sometimes they may not always look out for  
2 consumers the way they should and like a State agency  
3 should.

4 MAJORITY CHAIRMAN GODSHALL: Representative  
5 Molchany.

6 REPRESENTATIVE MOLCHANY: Thank you,  
7 Mr. Chairman.

8 I think I share the Chairman's frustration. I've  
9 also called cabs in Pittsburgh and they don't show up. I  
10 live in the City of Pittsburgh, I live in Mount Washington.  
11 The reality of the City of Pittsburgh is our port authority  
12 system does not run all night long and there are growing  
13 entertainment business districts that need additional  
14 service. And I've never been able to hail a cab. I've  
15 tried to go to weddings downtown from my home and never  
16 been picked up. We have a pretty significant service  
17 problem in the city, and whatever the cause of that, it  
18 needs to be corrected immediately.

19 I'm sitting here listening to all this testimony  
20 as well and I feel very strongly that whatever legislation  
21 we come up with, right now we are actually comparing apples  
22 to watermelons. We're sitting here with the City of  
23 Pittsburgh that to my knowledge does not have a medallion  
24 system, correct?

25 MR. CAMPOLONGO: It does not.

1           REPRESENTATIVE MOLCHANY: Okay. So Philadelphia  
2 has a medallion system, \$450,000, \$375,000 per medallion,  
3 pretty heavy investment. Pittsburgh does not have the  
4 system. Philadelphia Parking Authority earlier testified  
5 that insurance policies are in the minimum amount of \$1.5  
6 million to cover liability for bodily injury, death, or  
7 property damage. What does Pittsburgh carry at this point?

8           MR. CAMPOLONGO: The PUC---

9           REPRESENTATIVE MOLCHANY: The mandate.

10          MR. CAMPOLONGO: ---mandated limits are \$35,000.

11          REPRESENTATIVE MOLCHANY: \$35,000. Okay.

12 Pittsburgh is regulated by the PUC, correct?

13          MR. CAMPOLONGO: That's correct.

14          REPRESENTATIVE MOLCHANY: And Philadelphia by the  
15 Philadelphia Parking Authority. These are just completely  
16 different systems altogether and I just really feel -- I  
17 know that we've had a lot of conversations about regulating  
18 the Pittsburgh system and Allegheny County and that's where  
19 the current emergency licensing and permitting is  
20 occurring, and I just want to bring everybody back to the  
21 fact that Pittsburgh and Allegheny County are very  
22 different than the City of Philadelphia when it comes to  
23 regulating TNCs and I am not opposed to focusing on  
24 Pittsburgh and Allegheny County as a Representative from  
25 Pittsburgh and Allegheny County, just throw that out there.

1           So my question is you mentioned we have Yellow Z,  
2 which has been approved by the PUC to operate in Pittsburgh  
3 and Allegheny County. That's correct?

4           MR. CAMPOLONGO: Correct, yes.

5           REPRESENTATIVE MOLCHANY: Okay. So since you  
6 started Yellow Z, how many drivers have you had come on  
7 board? What's been the success rate of that? I didn't  
8 know Yellow Z existed until we started going through these  
9 hearings and I think what does everybody else know about  
10 Yellow Z?

11          MR. CAMPOLONGO: Yes, what is it?

12          REPRESENTATIVE MOLCHANY: Yes.

13          MR. CAMPOLONGO: Well, Yellow Z, like I said, is  
14 a very similar program to Lyft and Uber, so we started the  
15 beta testing of the program right after we got approval  
16 from the PUC. Last weekend, we had out 17 Yellow Z  
17 drivers, so that basically took our fleet from 360 to 377  
18 taxicabs. And each of those guys, the huge success story  
19 for these guys -- because they can take both Z Trip, which  
20 is our national app, and they can also take Yellow Cab  
21 rollover calls, so what gives us is the flexibility to, if  
22 the Yellow Cab calls start getting backed up, they just  
23 overflow into Yellow Z cars, and then if somebody goes to  
24 the top and pushes app direct, they'll go driver direct.  
25 So it's been very successful.

1           The one thing that they like about it is all the  
2 apps you see today are "now" apps. Our app is a "now and  
3 later" app so you can actually hit the "later" button, then  
4 put in a pickup time and a pickup address, which it stores.  
5 So it has components for traditional taxicab service to  
6 kind of take away the fears that you hit the app and  
7 there's nobody working that day or nobody came out, that  
8 you still get to roll back into traditional taxicab  
9 service.

10           REPRESENTATIVE MOLCHANY: So just so I'm clear on  
11 this then, if you are a Yellow Z driver, you are also a  
12 Pittsburgh cabdriver as well? Do you have to be a  
13 Pittsburgh cabdriver to be a Yellow Z driver?

14           MR. CAMPOLONGO: No, but---

15           REPRESENTATIVE MOLCHANY: Okay.

16           MR. CAMPOLONGO: ---understand that they're the  
17 exact same people. They've been vetted the exact same way  
18 but you don't have to be a cabdriver to become a Yellow Z  
19 driver.

20           REPRESENTATIVE MOLCHANY: Okay.

21           MR. CAMPOLONGO: Quite frankly, we find there's  
22 only 2 in that whole 17 guys that were out last weekend  
23 that were actually taxi drivers. It's a different model.

24           REPRESENTATIVE MOLCHANY: Okay.

25           MR. CAMPOLONGO: And it doesn't lend itself to

1 traditional taxi drivers, quite frankly.

2 REPRESENTATIVE MOLCHANY: Okay. Thank you.

3 MR. CAMPOLONGO: You're welcome.

4 MAJORITY CHAIRMAN GODSHALL: Chairman Daley.

5 MINORITY CHAIRMAN DALEY: Yes, thank you,  
6 Mr. Chairman.

7 I think that Representative Molchany's analogy of  
8 apples to watermelons is really more like blueberries to  
9 watermelons between Philadelphia and Pittsburgh. I think  
10 Pittsburgh has, you said, 360 cabs?

11 MR. CAMPOLONGO: Yes.

12 MINORITY CHAIRMAN DALEY: Philadelphia has about  
13 1,800 cabs. Philadelphia has about 3 million people.  
14 Pittsburgh has about 300,000 if we're lucky in this city.  
15 Our geography is much more different and diverse. The City  
16 of Pittsburgh goes over to the South Hills, up over the  
17 hill, Mount Washington all the way out to Carrick, and your  
18 coverage area is much greater and you have fewer  
19 cabdrivers.

20 And we talk about free market and I've argued  
21 this before with cab participants about Philadelphia and  
22 Pittsburgh. Philadelphia is 24/7. They have a lot of  
23 activity in downtown Philadelphia all the time. Pittsburgh  
24 does not have that kind of activity; I wish we did. We  
25 have sporting events, which are the Penguins, the Steelers,

1 the Pirates, those types of things. I was at G20; I  
2 participated. You did a remarkable job. You moved a lot  
3 of people around, really high-level people in a really good  
4 logistic way. So it really is like berries and  
5 watermelons.

6 So, Mr. Chairman, I'm sorry that you didn't have  
7 the opportunity to be able to be picked up but it's kind of  
8 funny. Everybody in Pittsburgh sort of parks in the city  
9 and walks over to the stadium anyway across the bridge, but  
10 I know that was an inconvenience for you.

11 But we are different in western Pennsylvania and,  
12 Mr. Campolongo, you and I have discussed that and we know  
13 that Pittsburgh and Philadelphia really are two different  
14 worlds in terms of the free market. And you have 360 cabs,  
15 16, 1,800 cabs, big, big difference. CBD, a lot smaller,  
16 more concentrated and 24/7 and you work from Thursday night  
17 maybe through Sunday afternoon?

18 MR. CAMPOLONGO: Yes.

19 MINORITY CHAIRMAN DALEY: Really? So in all  
20 fairness I thought that needed to be stated.

21 Thank you, Mr. Chairman.

22 MAJORITY CHAIRMAN GODSHALL: Representative  
23 Molchany.

24 REPRESENTATIVE MOLCHANY: Thank you,  
25 Mr. Chairman.

1           Just to kind of bring us to the current situation  
2 in Pittsburgh, when we look at what's going on in  
3 Pittsburgh, new mayoral administration, much more  
4 collaboration between the city and the county, much more  
5 growth of the central business district, we have hotels  
6 being built in downtown, we have growing nighttime  
7 economies in the south side of Pittsburgh, in Lawrenceville  
8 area it's really become maybe not a 24/7 city but perhaps a  
9 22/5 city.

10           I think that there's just so much momentum and I  
11 think that we need to make sure that the cab services and  
12 the TNCs match that kind of momentum at this point. And I  
13 think that there's definitely a willingness here to do  
14 that. It's really encouraging to me to hear that  
15 Pittsburgh Transportation Group is willing to work, has  
16 entered the TNC market. I think that's really important.

17           I think that we have to be aware that we do live  
18 in a city that has amazing sports teams and has wonderful  
19 stadiums, but we also now have so many more amenities than  
20 we had 20 years ago. People flock to downtown, people stay  
21 in downtown, people flock to the south side, and I guess we  
22 just need to make sure that you can hail a cab any one of  
23 those places to get home at the end of the night safely.  
24 That's just really what I'm looking for here. Thank you.

25           MR. CAMPOLONGO: Great.



1 MAJORITY CHAIRMAN GODSHALL: Thank you. Thank  
2 you very much for your testimony. We appreciate it.

3 MS. FRIEDMAN: Thank you.

4 MAJORITY CHAIRMAN GODSHALL: And up next is Keith  
5 Lorfink, Risk Manager for Enterprise Holdings.

6 Gentlemen, whenever you're ready.

7 MR. LORFINK: Good morning. I'd just like to  
8 take a moment before I start to introduce Greg Cavoli,  
9 who's with me today. He's the Vice President and General  
10 Manager with responsibilities to oversee central and  
11 eastern Pennsylvania, the operations for Enterprise  
12 Holdings.

13 My name is Keith Lorfink. I'm here today on  
14 behalf of Enterprise Holdings, a 57-year-old family-owned  
15 company that operates Enterprise, Alamo, and national car  
16 rental brands. My area of responsibilities within  
17 Enterprise is the oversight of our risk management division  
18 in eastern Pennsylvania.

19 Chairman Godshall, Chairman Daley, and Members of  
20 the Committee, thank you very much for this opportunity to  
21 be heard today.

22 Enterprise, with more than 78,000 employees and  
23 almost 1.4 million cars and trucks owned and operated is  
24 the largest car rental services provider in the world.  
25 We're very fortunate to have a strong presence here in the

1 Commonwealth with over 200 locations employing over 2,000  
2 residents. Beyond being just a rental car company however,  
3 Enterprise is a total transportation solution company,  
4 which is really why we're here today.

5           And before I get into the heart of the testimony,  
6 I do just want to make a note that since this formal  
7 testimony that you have before you was submitted, we have  
8 been working very closely with TNC interests, as well as  
9 Legislators, to help ensure the unintended consequences to  
10 which this testimony refers do not take place. We are  
11 hopeful that we are making very good progress towards this  
12 goal.

13           To get started, as you well know, there are  
14 numerous transportation network company bills that have  
15 been introduced in the General Assembly. Our primary  
16 objective is to ensure that legislative language is crafted  
17 in a manner that properly distinguishes the ride-matching  
18 services that Enterprise and other transportation companies  
19 provide from the "for-hire, for-profit driver"  
20 transportation services that TNCs provide. Some of the  
21 definitions that have been introduced are broadly crafted  
22 to define a TNC based on its digital delivery platform, and  
23 therefore may inadvertently sweep up other digital ride-  
24 matching services that don't require the same regulation.

25           For example, Pennsylvania created a law providing

1 for ridesharing arrangements many years ago. The law  
2 regulates carpooling and vanpooling practices offered by  
3 employers. Through the good work of Representative Tom  
4 Killion and this Committee, House Bill 2295 proposes to  
5 modernize this act in a manner that would allow Enterprise,  
6 as well as our competitors offering carpooling and  
7 vanpooling services, easier access to the marketplace.

8 A key distinguishing factor between this  
9 traditional type of ridesharing and TNCs is that drivers in  
10 traditional ridesharing arrangements don't operate the  
11 vehicles with the intent to profit. Enterprise believes  
12 that it's very important that this distinction be made  
13 abundantly clear in any TNC legislation that's advanced in  
14 the General Assembly. Without this distinction, we fear  
15 the customers participating in a car or vanpool could  
16 inadvertently get caught up in regulations that TNC drivers  
17 must comply with.

18 In addition, there are a variety of other  
19 transportation-related services available to individuals  
20 seeking rides to specific locations. Today, these  
21 individuals often find each other through some form of  
22 online or digital platform such as an app. In many of  
23 these, the driver of the vehicle is not profiting from the  
24 transaction but rather simply sharing the transportation  
25 expenses with others. We believe it's essential again to

1 distinguish between transportation services that include a  
2 "for-hire, for-profit" driver from those that do not.

3 As mentioned previously, we're working to address  
4 concerns with current TNC legislation that I just outlined.  
5 We look forward to continuing work with you as the process  
6 moves forward.

7 We do want to go on record and state as well that  
8 Enterprise is not opposed to TNCs entering into the  
9 marketplace. Disruptive technologies play an essential  
10 role in our economy and in improving the overall consumer  
11 experience. Businesses that develop new ways to deliver  
12 one or many transportation services are welcome additions  
13 to our transportation and mobility networks.

14 I just want to take the opportunity to say thank  
15 you and we'll take any questions that you may have.

16 MAJORITY CHAIRMAN GODSHALL: Are you doing any  
17 carpooling or any kind of arrangements now?

18 MR. LORFINK: We are not today. That's the heart  
19 of the House Bill 2295 that was passed in June. We really  
20 need to modernize the system because as the current  
21 legislation is written, the ridesharing act is listed,  
22 we're precluded from doing so. We do have an offering  
23 called Enterprise Rideshare in other States that we offer.  
24 We operate in 42 other States and we're looking to bring  
25 that product to the Commonwealth.

1 MAJORITY CHAIRMAN GODSHALL: The same product  
2 that's in existence in 42 others? Okay. Therefore, as far  
3 as insurance and everything else would be Enterprise  
4 insurance? I mean it'd be one of your drivers really.

5 MR. LORFINK: Well, it wouldn't be our driver and  
6 that's where we want to make sure that any legislation that  
7 goes through for the TNCs is very distinct from the  
8 legislation proposed in House Bill 2295 because they are  
9 apples-and-oranges comparison. Enterprise would provide a  
10 vehicle oftentimes through paratransit companies or what  
11 have you and other ride-matching services, but the driver  
12 would not seek to profit. It would be drivers commuting  
13 going to and from work, perhaps from York to Harrisburg or  
14 from other places in Bucks County into Philadelphia and  
15 whatnot.

16 MAJORITY CHAIRMAN GODSHALL: We will look into  
17 that. And I'm not familiar with what was passed on that  
18 ridesharing and we'll look into that for you and appreciate  
19 your testimony other than that.

20 MR. LORFINK: Thank you.

21 MAJORITY CHAIRMAN GODSHALL: We have one final  
22 testifier and he was originally scheduled for the beginning  
23 but had a flight problem. And Mike Masserman, Director of  
24 Government Relations for Lyft.

25 MR. MASSERMAN: Good morning, Chairman Godshall,

1 Members of the House Consumer Affairs Committee. My name  
2 is Mike Masserman. I'm a Director of Government Relations  
3 of Lyft. Thank you for accommodating me. I did have some  
4 flight issues coming out from the West Coast.

5 MAJORITY CHAIRMAN GODSHALL: Well, you get a  
6 chance to clean up here at least. You've heard a lot of  
7 testimony and so the time's all yours.

8 MR. MASSERMAN: Great. Well, first, before we  
9 jump into things I do want to clear the record on  
10 something. I went to Michigan undergrad and I know  
11 Michigan's playing Penn State this week and then there may  
12 be some Penn State fans or alums here. Our team hasn't  
13 been doing so well this season, not sure how that's going  
14 to go this weekend but I hope that's not held against me  
15 today.

16 MAJORITY CHAIRMAN GODSHALL: Well, it won't and I  
17 don't even believe the Rutgers hold that against you.

18 MR. MASSERMAN: Look, I appreciate the  
19 opportunity to testify today about Lyft and ridesharing  
20 legislation that would provide a regulatory framework for  
21 industry to operate in Pennsylvania. And I want to start  
22 by thanking Legislators who we've been working with to come  
23 up with a smart solution here that would provide rigorous  
24 consumer safety standards but also allow ridesharing to  
25 thrive in Pennsylvania.

1 Over the last 10 months, Lyft has worked to  
2 develop a regulatory framework for TNCs in Pennsylvania.  
3 We have two experimental applications before the  
4 Pennsylvania PUC that, if approved, would allow Lyft to  
5 provide its service throughout Pennsylvania.

6 Four pieces of legislation relating to  
7 ridesharing have been introduced and referred to this  
8 Committee. We believe that Representative John Maher has  
9 identified the best approach and I would like to focus my  
10 remarks today on several key issues. We've heard a bunch  
11 here but we think that they should be addressed by any  
12 piece of ridesharing legislation that would be moving  
13 forward.

14 So Lyft's peer-to-peer model is a few things:  
15 Number one, it provides another safe, reliable, and  
16 affordable mode of transportation; it supplements the  
17 existing transportation infrastructure; and it reduces  
18 single-occupancy rides, which would reduce congestion and  
19 would reduce CO2 emissions. Right now in the U.S. 80  
20 percent of seats on the road are unfilled. You look around  
21 and you see everyone in their car driving by themselves.  
22 How can we safely, reliably, and affordably incentivize  
23 people to fill those seats?

24 And ridesharing isn't something new. This has  
25 been around for a long time in informal capacities, whether

1 it's office carpools, whether it's commuter pickup lines or  
2 student union boards, and the benefits of ridesharing are  
3 unmistakable. Throughout Allegheny County, and we've heard  
4 Representative Molchany talk about this, there's tremendous  
5 positive impacts that have been brought to cities like  
6 Pittsburgh because of ridesharing.

7           And every single day hundreds of Pennsylvanians  
8 are using Lyft, whether it's getting home after a late  
9 shift at a restaurant or dealing with a last-mile issue  
10 from public transit to school, people in Pennsylvania are  
11 relying on Lyft for transport mobility options. And it's  
12 not just about having this new reliable and affordable mode  
13 of transportation; we have new safety mechanisms in place.  
14 You see a picture of the car. You see a picture of the  
15 driver. Through GPS system it tracks exactly where you've  
16 been picked up and when you've arrived at your location.  
17 You know exactly who's been driving you.

18           Lyft has rigorous background check standards.  
19 We're talking about criminal background checks and we're  
20 talking about driving record checks. These driving record  
21 check standards, by the way, are so rigorous such that if  
22 you have two moving violations in the last three years, you  
23 don't pass those background checks.

24           In addition, Lyft drivers have to observe a zero-  
25 tolerance policy for drugs and alcohol and meet all the



1 standards for qualified drivers as set forth in the  
2 Pennsylvania Code and Commission regulations. Look, this  
3 entire system, ridesharing, the sharing economy, it's all  
4 based on trust and safety. Consumers would not use this if  
5 they didn't have the trust in us.

6           And as we think about the background checks --  
7 and I'm going to talk about insurance in a moment -- we  
8 have an entire trust and safety team that's dedicated to  
9 ensuring that our drivers are meeting these checks and that  
10 we have a rating system in place whereby drivers rate  
11 passengers, passengers rate drivers. If drivers fall below  
12 a 4.6 out of 5 standard, they're off the platform. That's  
13 an incredibly high threshold but we believe that it's  
14 incredibly important to provide that level of confidence to  
15 our consumers.

16           Prior to launching in Pittsburgh -- and we've  
17 heard this issue come up throughout the testimony -- we  
18 heard that there were transport mobility issues, there's a  
19 lack of transportation, and we heard about the various bars  
20 and restaurants that have popped in Pittsburgh. What we  
21 know to be true is that ridesharing has had a tremendous  
22 impact on reducing instances of drunk driving. But with  
23 introductions of innovations like this, we know there's  
24 going to be questions around risk and around liability and  
25 this is not unexpected, and quite frankly, I think it's

1 understandable.

2           What I want to do is ease your concerns  
3 specifically on the insurance issue and I want to outline  
4 how our insurance program meets and exceeds State law and  
5 commission regulations. You heard talk about app-on, Phase  
6 1. So during Phase 1, let me just be clear, this does not  
7 guarantee or mean that a driver is engaged in a commercial  
8 activity or even present in their vehicle. The flexible  
9 nature of Lyft and the ridesharing platform we provide  
10 allows drivers to be entirely in control of their schedule.  
11 They could be sitting in their home or in their apartment,  
12 they can be at a café, or they can be driving, and that's  
13 when the app could or could not be on.

14           Period 1 simply says that drivers are accessing  
15 information. So hypothetically if I'm a Lyft driver I  
16 could turn on my app right now and I'm sitting here right  
17 now. Clearly, I'm not engaged in a commercial activity and  
18 it's hard to see why this activity alone would require a  
19 TNC provider to start ensuring me. However, if I choose to  
20 move beyond simply accessing information to formally  
21 engaging with a consumer, the entire insurance picture  
22 shifts.

23           So as soon as a Lyft driver is matched with a  
24 passenger and the entire time a passenger is in the car,  
25 Lyft's primary commercial insurance policy comes into

1 effect and that's a \$1 million commercial insurance policy,  
2 a \$1 million primary commercial insurance policy. Now,  
3 this voluntary \$1 million coverage, whenever a driver and  
4 rider are matched, far exceeds what taxis are required to  
5 carry in Pennsylvania. And in fact, we encourage the  
6 traditional transport service providers to follow our lead  
7 on this.

8           So that's Period 2 and 3 but Period 1, the app-on  
9 period that we talked about, this is where we currently  
10 provide contingent liability coverage in an effort to  
11 demonstrate good will and compromise. And we support  
12 regulations that will provide excess liability coverage  
13 with a drop-down of \$50,000 for death or personal injury  
14 per person, \$100,000 for death and personal injury per  
15 incident, and \$30,000 for property damage. This policy  
16 insures that there's always coverage during this time of  
17 app-on.

18           Drivers in Pennsylvania have to have this \$35,000  
19 insurance limit. What we're doing is we're providing this  
20 backdrop. When I say it drops down to dollar zero, what  
21 this means is even if this person's personal insurance  
22 doesn't cover the case, Lyft will come in and provide this  
23 \$50,000, \$100,000, and \$30,000 limit. And if their  
24 personal insurance does cover it but not up that full  
25 extent, again, Lyft will come in and provide up to that

1 \$50,000, \$100,000, and \$30,000 level.

2 And once again, this arrangement will provide far  
3 more coverage than the \$35,000 of primary insurance  
4 currently required by common carriers throughout the State.  
5 This policy is better for the general public while also  
6 permitting all TNC companies, regardless of their size, to  
7 compete in Pennsylvania.

8 Now, you've heard today that some have argued  
9 that TNCs should carry this primary insurance policy during  
10 Period 1 but there's a number of reasons why this will not  
11 serve the public. First, as I've talked about, Period 1 is  
12 inherently flexible. I could have my app on right now but  
13 I am not in a vehicle and I'm not engaged with consumers.  
14 There's already sufficient coverage. I would have my own  
15 personal policy and there's an excess and contingent  
16 liability policy in place.

17 Second, this mandate is coming too soon. Because  
18 of the popularity of ridesharing, many insurers are  
19 actively developing products for drivers who choose to use  
20 their personal cars on a TNC platform. Forcing TNCs to  
21 provide primary coverage in Period 1 will create  
22 disincentives that keep the insurance industry from  
23 developing new products while also eliminating consumer  
24 choice and purchasing personal coverage that reflects how  
25 these vehicles are used.

1           The excess model proposed by Representative Maher  
2 provides both a faster process for resolving claims and  
3 more overall coverage than alternative proposals that lock  
4 in a lower rate of coverage. We believe that the policy  
5 for Period 1 and the primary coverage for Periods 2 and 3  
6 protects drivers and passengers and, once again, far  
7 exceeds that \$35,000 limit that we've talked about.

8           One last thing I would mention, you've heard  
9 about competition and transport mobility. We see ourselves  
10 as complementing that transportation infrastructure. Lyft  
11 sees itself as being part of that transport mobility  
12 ecosystem alongside public transport, alongside car-  
13 sharing, alongside bike-sharing, and even alongside taxis.  
14 We just believe there should be safe, reliable, and  
15 affordable transportation options for people and we look  
16 forward to continuing to work with you and stakeholders to  
17 craft legislation that's going to protect consumers and  
18 allow ridesharing to be successful in Pennsylvania.

19           Thank you very much.

20           MAJORITY CHAIRMAN GODSHALL: The big issue that  
21 I've had and I've heard over and over again is that in  
22 Period 1 when the app is on but there's no rider that it's  
23 not first-party coverage but second-party coverage and how  
24 do you know who to sue and this on and on and on. That's  
25 where I think the big issue at least that's come before

1 myself and my Committee at this point. How do you know who  
2 to sue?

3 MR. MASSERMAN: Sure.

4 MAJORITY CHAIRMAN GODSHALL: Can you further  
5 expound on that?

6 MR. MASSERMAN: Sure. And, Chairman, we've been  
7 working with regulatory bodies and policymakers like  
8 yourself across the country on this issue and this is a  
9 hard issue. So the way that it works is that for the  
10 period of pre-model, in this Period 1, app-on, the person's  
11 personal insurance is the primary insurance. So if there's  
12 a lawsuit, that person's personal insurance would be the  
13 first party that would be implicated. If there's an  
14 instance where that person's personal insurance denied  
15 claim or coverage, Lyft has an excess and contingent  
16 liability coverage that would cover up to \$50,000 for death  
17 or personal injury per person, \$100,000 for death and  
18 personal injury per incident, which, by the way is three  
19 times the amount of that \$35,000 coverage, and \$30,000 for  
20 property damage.

21 Now, if there was a lawsuit and the person's  
22 personal insurance only covered, say, up to \$50,000 for  
23 that personal injury, Lyft would then come in and drop down  
24 to that \$50,000 limit and cover up to \$100,000. So there  
25 should be no ambiguity around who the person is that is

1 being sued and what entity would be named in that lawsuit.  
2 But let me be clear. This contingent and excess policy  
3 provides the assurance that someone will get paid and  
4 someone will get paid up to three times the amount that  
5 some of the personal liability insurances cover here.

6 MAJORITY CHAIRMAN GODSHALL: Okay. The other  
7 question is how do you know that that driver -- I'm not  
8 sure the cabdriver is in the same situation -- but how do  
9 you know that that driver has that personal insurance?

10 MR. MASSERMAN: Right.

11 MAJORITY CHAIRMAN GODSHALL: What checks do you  
12 do or can you further---

13 MR. MASSERMAN: Sure. First of all, to be a  
14 driver here in Pennsylvania you have to have insurance.

15 MAJORITY CHAIRMAN GODSHALL: Right.

16 MR. MASSERMAN: That's the law of the State, so  
17 that's first and foremost. Second, when we do the  
18 background checks, we check that they have insurance. And  
19 so as they're driving, we're under the assumption they have  
20 insurance, but that's why we have this contingent liability  
21 insurance in place because God forbid something happened  
22 with their insurance, it slipped. I heard someone talk  
23 about what happens if they didn't make a payment. Well,  
24 that's why we have this insurance, just in case of that  
25 instance happening, which, by the way, we haven't heard

1 happening, number one.

2           Number two, I heard another claim that what  
3 happens if people tell their insurance companies that  
4 they're TNC drivers, they might get kicked off of the  
5 platform? We have done millions of rides, we have hundreds  
6 of thousands of drivers and we've never had one instance of  
7 a driver being kicked off of their insurance because they  
8 were a TNC driver.

9           MAJORITY CHAIRMAN GODSHALL: Is this the same  
10 information, what you're doing in other States? I mean  
11 it's the same policy wherever you're operating.

12           MR. MASSERMAN: Correct. And in fact, that  
13 contingent and excess liability coverage for Period 1 has  
14 been codified into the California PUC process, it's been  
15 codified in Colorado, it's been codified in places like  
16 Virginia and other places across the country.

17           And by the way, in California we have one year  
18 right now to actually work with the industry to think  
19 through is there another innovative solution for that  
20 Period 1. As more and more people become TNC drivers, is  
21 there some way that we can be working with the insurance  
22 industry to come up with a better solution that will  
23 provide even more consumer safety mechanisms? And so  
24 that's why I think we need a little bit more time to be  
25 iterating alongside the industry in this.



1 MAJORITY CHAIRMAN GODSHALL: It was one of the  
2 reasons we held this hearing, to allow for more time  
3 because there's a lot of questions out there that really  
4 need to be answered.

5 MR. MASSERMAN: Right.

6 MAJORITY CHAIRMAN GODSHALL: And is there any --  
7 Representative Delozier.

8 REPRESENTATIVE DELOZIER: Thank you,  
9 Mr. Chairman.

10 Mine is more of a statement than a question  
11 because I'm not certainly going to put you on the spot with  
12 this because it was something that just came out yesterday.  
13 And I guess it just is going to the issue of consumer  
14 protection, as well as the fact that if companies are  
15 coming into the State -- and I have nothing against this  
16 option because I think we need to be able to provide those  
17 options. We need to do it in a fair way. But one of the  
18 things the ALJs over at the PUC fined Lyft almost \$7  
19 million yesterday for unauthorized service. Now, that may  
20 not stand and that'll go through the process. So they're  
21 not authorized to work and they're doing so anyway.  
22 They're just pretty much tossing out the window the  
23 guidelines that we do have.

24 So I'm just putting out there as to the fact of  
25 as we're moving through this process we're trying to do so

1 in a fair way for both sides but I think it's also fair to  
2 ask that both companies or any other comply with what we do  
3 have here in Pennsylvania. Even if this is changed as it  
4 is in the ALJ decision, it still makes a statement that  
5 there was enough validity for that Judge to make that  
6 statement and to have a \$7 million fine for unauthorized  
7 service.

8           So I just point it out primarily for the fact  
9 that I know you operate very well in other States. I hope  
10 we can bring the service here. And you're certainly not  
11 alone; you just happen to be sitting there right now so I  
12 apologize for that. But the end result is still a matter  
13 of I would hope that as we move through this that we do  
14 have the ability to work with what is in place and by the  
15 laws and the regulations that we do have, which is for the  
16 safety of our consumers. So operating without the  
17 authority to do so I guess is not a step in the right  
18 direction.

19           Thank you.

20           MR. MASSERMAN: And, look, I know that we have  
21 had collaborative conversations and we'll continue to have  
22 collaborative conversations with this legislative body, as  
23 well as with the PUC. I think it was mentioned the  
24 comparison of watermelons and blueberries to apples. I  
25 think oftentimes you hear the phrase "level the playing

1 field." I think what's interesting here is that we're  
2 talking about creating a whole new playing field for  
3 ridesharing, and certainly as we do so we want to make sure  
4 that we have rigorous consumer safety standards in place  
5 but we also want to make sure we're not regulating this  
6 industry out of existence.

7 MAJORITY CHAIRMAN GODSHALL: Well, Representative  
8 Molchany I think has a solution for that already, putting  
9 everybody under the Philadelphia Parking Authority. It'll  
10 solve an awful lot of problems.

11 REPRESENTATIVE MOLCHANY: All the way from  
12 Pittsburgh, yes.

13 MAJORITY CHAIRMAN GODSHALL: Representative  
14 Molchany.

15 REPRESENTATIVE MOLCHANY: Thank you,  
16 Mr. Chairman.

17 So I guess my question kind of speaks to the  
18 Chairman's earlier question. Just to clarify, so Lyft does  
19 provide the gap coverage that's been brought up numerous  
20 times in these hearings and I guess you're calling it  
21 during Period 1, app-on, right? So there is additional  
22 coverage provided by Lyft?

23 MR. MASSERMAN: Correct, that's excess contingent  
24 liability coverage.

25 REPRESENTATIVE MOLCHANY: Okay. Now earlier, I

1 had asked the insurance and trial lawyer panel about riders  
2 and products for consumers who decide to participate in  
3 rideshare using their personal vehicles and the existence  
4 of those products in other States. Just to clarify, are  
5 you saying those products do exist in other States?

6 MR. MASSERMAN: In terms of ridesharing products?

7 REPRESENTATIVE MOLCHANY: Yes.

8 MR. MASSERMAN: Yes. Lyft does exist in 70  
9 cities around the country and---

10 REPRESENTATIVE MOLCHANY: No, I'm sorry. Is  
11 there an insurance product that exists for the gap that  
12 somebody can purchase if they choose to engage in rideshare  
13 in other States?

14 MR. MASSERMAN: So, look, the way that we operate  
15 because of the peer-to-peer model, everyone has to have  
16 their own personal insurance. We've worked with James  
17 River, who's iterated alongside us because this is a  
18 constantly changing industry, to create insurance for Lyft  
19 specifically.

20 REPRESENTATIVE MOLCHANY: Okay.

21 MR. MASSERMAN: And so what we did, though, and I  
22 think this is really important because this happened in  
23 July, Lyft during those Period 2 and Period 3 only provided  
24 excess liability coverage and a million dollars. But after  
25 having conversations like this with regulators and

1       policymakers across the country decided and made a business  
2       decision that it would be the commercial primary insurance  
3       provider during that Period 2 and Period 3, and that was a  
4       specially tailored arrangement we made with James River to  
5       be able to provide that assurance.

6                 One thing that I think is really important to  
7       note is that if you decide to then make it mandated that  
8       Lyft and other ridesharing companies have to provide  
9       primary insurance in that first period, operating costs  
10      would go up by a couple hundred percent. So you would in  
11      essence be blocking those kids at Penn State or Pitt or  
12      Carnegie Mellon potentially who are coming up with a better  
13      idea than Lyft or Uber or whoever exists right now, they  
14      would in effect be regulated out of the industry and they  
15      wouldn't be able to afford to do that.

16                REPRESENTATIVE MOLCHANY: Thank you.

17                MAJORITY CHAIRMAN GODSHALL: Representative  
18      Masser.

19                REPRESENTATIVE MASSER: I just wanted to be  
20      clear. I think the Chairman had asked this. In all the  
21      other States that you operate, during Period 1 in all those  
22      States are they all covered by the private driver's  
23      insurance?

24                MR. MASSERMAN: So, look, in every State that we  
25      operate in the peer-to-peer model the person's personal

1 insurance is the primary insurance in Period 1. And in all  
2 those States we provide this same excess contingent  
3 liability coverage in Period 1.

4 REPRESENTATIVE MASSER: In any of those States  
5 are you required to provide additional insurance during  
6 Period 1?

7 MR. MASSERMAN: So we're still in conversations  
8 with some States. We're operating in a number of States  
9 right now and it hasn't been codified into law yet. In  
10 some States what we have to do in Period 1, California I  
11 think is an interesting example where right now they've  
12 codified the excess and contingent liability coverage that  
13 we have, but we now have one year to work with the  
14 insurance industry to think through is there a better  
15 solution of what we can do for Period 1 that would provide  
16 that consumer safety confidence while also allowing  
17 ridesharing taxi work in a State like California.

18 REPRESENTATIVE MASSER: Do you provide a  
19 Certificate of Insurance to your drivers?

20 MR. MASSERMAN: Yes. We have a Certificate of  
21 Insurance that we do provide not just to our drivers but  
22 also to States and counties and cities to show that we have  
23 the insurance that we have.

24 REPRESENTATIVE MASSER: So should the drivers be  
25 in an accident, they would have proof of insurance on the

1 commercial side?

2 MR. MASSERMAN: So, yes. If drivers are in an  
3 accident, they have their own insurance and they would have  
4 through their app proof that Lyft has the insurance. But  
5 let me be clear. There's that differentiation between  
6 Period 1 and then Period 2 and 3. And I know that there's  
7 some confusion there, and as we work with regulators and  
8 frankly as we work with enforcement agencies, we're trying  
9 to make sure that there's as much clarity as possible with  
10 that regard as well.

11 REPRESENTATIVE MASSER: Thank you very much.

12 MR. MASSERMAN: Yes.

13 MAJORITY CHAIRMAN GODSHALL: Thank you very much  
14 for your testimony and I appreciate that. And I'd like to  
15 extend my thanks to other presenters.

16 And we have written comments provided by James  
17 Walker, Manager of PHL Taxi.

18 And if there's no further questions, the meeting  
19 is adjourned. And I do want to announce that there  
20 probably will be a Consumer Affairs meeting next Tuesday  
21 morning to vote on House Bill 2525.

22

23 (The hearing concluded at 11:56 a.m.)

1                   I hereby certify that the foregoing proceedings  
2 are a true and accurate transcription produced from audio  
3 on the said proceedings and that this is a correct  
4 transcript of the same.

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