

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2014- -T**

IN RE: Petition of the Office of Regulatory Staff for a ) **AMENDED**  
Declaratory Order to Determine Whether Uber ) **PETITION FOR**  
Technologies, Inc. is a Passenger Carrier in South ) **DECLARATORY ORDER**  
Carolina )

The Office of Regulatory Staff (“ORS”), by filing this petition, pursuant to 10 S.C. Code Ann. Regs. 103-825 (Rev. 2012), would respectfully show and request of the Public Service Commission of South Carolina (“the Commission”):

1. That the Commission is a state agency constituted pursuant to the laws of the State of South Carolina with its business offices located in Columbia, South Carolina; that the Commission is responsible for the regulation of motor vehicle carriers operating for compensation as set forth in S.C. Code Ann. §58-23-10 et seq. (Supp. 2013); and that the ORS is charged with the duty to protect the public interest pursuant to S.C. Code Ann. Section 58-4-10, et seq. as enacted by 2004 S.C. Acts 175.

2. That upon information and belief Uber Technologies, Inc. (aka Uber Transportation) d/b/a UberX (“Uber”) in partnership with its “partner” drivers has expressed its intent to control, operate, or manage motor propelled vehicles for use in the business of transporting persons or property for compensation over improved public highways in this state. See, Affidavit of L. George Parker Jr., attached hereto as “Exhibit A” and Affidavit of Travis T. Crane attached hereto as “Exhibit B”.

3. That Uber is a privately held corporate entity, which is neither incorporated nor registered to do business in South Carolina, which acts as a transportation broker to coordinate the provision of passenger transportation by uncertificated “partner” drivers to members of the general public through a smartphone application (“App”).

4. That Uber has been actively engaged in the recruitment of “partner” drivers and the advertisement of its transportation services in the State of South Carolina and intends to begin offering transportation passenger carrier services through its Uber App to the general public in the Columbia, South Carolina area within the next two to three weeks. See, Exhibit A, Para. 14.

5. That Uber is advising potential partner drivers that they may operate as passenger motor vehicle operators under individual non-commercial automobile insurance policies and that they should not inform their motor insurance carriers that they are drivers for Uber. See, Exhibit A. Para.17 & 18.S.C. Code Ann. §58-23-910 (Supp. 2013) and 10 S.C. Code Ann. Regs. 103-172 (Rev. 2012) require proper insurance to insure or indemnify passengers.

6. That Uber has failed to provide to the Commission or ORS any evidence of compliance with the Commission’s driver and vehicle safety requirements contained in 10 S.C. Code Regs. Ann. 103-133 (Rev. 2012).

7. That upon information and belief Uber does not intend to seek Commission approval or certification of itself or its partner drivers prior to its anticipated July 2014 start date when it will begin offering passenger carrier transportation services to the general public based on assertions of Uber representatives that its business model is “legal” (Exhibit A, Para.23).

8. That ORS is further informed or believes that such transportation may take place on or be provided by uncertificated, non-placarded and potentially uninsured/underinsured drivers in vehicles which may or may not be in compliance with the Commission’s safety standards for passenger carrier vehicles.

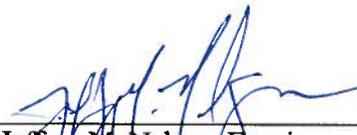
9. That ORS believes the general public is uninformed regarding the lack of regulatory oversight and control over the vehicles and drivers to be employed by Uber in the provision of passenger carrier services and, that in its role to protect the public interest, ORS seeks immediate action by the Commission in this matter.

**WHEREFORE**, the ORS staff prays that the Honorable Commission:

1. Schedule and conduct a formal administrative hearing as soon as practicable to address disputed issues of fact and law regarding the operation of both Uber and its “partner” drivers in South Carolina.

2. Following the formal administrative hearing, issue a declaratory Order ruling whether or not Uber and its partner drivers are “motor vehicle carriers” as defined in S.C. Code Ann. §58-23-10(4) (Supp. 2013) and are subject to the requirements and standards set forth in S. C. Code Ann. §58-23-10, et seq. (1976 & Supp. 2013) and 10 S.C. Code Regs 103-100 et seq. (Rev. 2012 & Supp. 2013).

3. For other appropriate action which the Commission may deem necessary.



---

Jeffrey M. Nelson, Esquire  
**South Carolina Office of Regulatory Staff**  
1401 Main Street, Suite 900  
Columbia, South Carolina 29201  
Phone: (803) 737-0823  
Fax: (803) 737-0895  
Email: [jnelson@regstaff.sc.gov](mailto:jnelson@regstaff.sc.gov)

June 23, 2014  
Columbia, South Carolina

## **AFFIDAVIT OF OFFICER GEORGE PARKER**

STATE OF SOUTH CAROLINA  
COUNTY OF RICHLAND

The Affiant, after having been first duly sworn, deposes and states as follows:

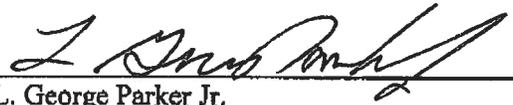
- 1) My name is L. George Parker, Jr. I am employed by the Office of Regulatory Staff ("ORS") as a Program Manager for the Transportation Department, and I am a Class One Law Enforcement Officer with the State of South Carolina.
- 2) My office is located at 1401 Main Street, Suite 900, Columbia, South Carolina, 29201.
- 3) My duties and responsibilities as a Program Manager for ORS include overseeing the daily operations of the Transportation Department, assuring that the rules and regulations of the Commission are followed by regulated motor carriers and prospective motor carriers operating for hire as well as serving as custodian of records for business filings associated with motor vehicle carriers subject to the jurisdiction of the Public Service Commission of South Carolina ("PSC").
- 4) It is the regular business practice of ORS to apply relevant statutes and regulations to motor carriers providing transportation for hire for compensation along the public highways in South Carolina.
- 5) As a result of my duties and responsibilities, I have knowledge of the manner in which the books and records are kept and of any books or records which are not complete or which are not on file with ORS.
- 6) On June 17, 2014, I received information from several regulated motor carriers that representatives for Uber Technologies, Inc. ("Uber") were hosting a meeting at the Springhill Suites, 511 Lady Street, Columbia, South Carolina, to recruit drivers/partners to operate in the Columbia metro area.
- 7) At 12:00 p.m. eastern daylight time on June 17, 2014, I attended the Uber recruitment meeting to obtain information for ORS regarding the driver/partner recruitment process for Uber.
- 8) During the meeting, I learned that all vehicles operating for Uber must be a 2004 model or newer.
- 9) I observed prospective drivers/partners providing their driver's license, proof of insurance, vehicle registration, and bank and credit card information to the Uber representatives.

- 10) I observed an Uber representative issue the iPhone and accessories to several prospective drivers stating that a "piece" of their background information had not been received at this time and it normally takes 3 to 5 days to complete the background check.
- 11) I witnessed the Uber representative tell a prospective driver that if his personal insurance policy was in his wife's name to send in an insurance declaration page with his (the driver's) name added and then I witnessed the Uber representative issue that driver the iPhone and accessories.
- 12) I witnessed the Uber representative tell the group of drivers/partners that each of them would receive \$100 from Uber for every driver/partner referral.
- 13) I witnessed the Uber representative tell the prospective drivers/partners that Columbia is the first South Carolina city to begin using the UberX service offering due to its college town status. The Uber representative stated Charleston and Myrtle Beach will be the next cities in which UberX will be operating.
- 14) I heard the Uber representative state during this meeting that the projected launch date in Columbia, SC will be in the next 2 to 3 weeks.
- 15) I heard the Uber representative state that each Uber driver/partner would receive 80% of each Uber fare and earn on average \$20 to \$30 per hour.
- 16) I witnessed the Uber representatives stating that the busiest operating times are projected to be Friday and Saturday night. The Uber representative stated each driver/partner would learn the peak times.
- 17) The Uber representative told the group that their personal liability insurance would be the primary insurance and Uber would be offering excess liability coverage in the amount of \$2 million with \$50,000 to \$60,000 collision coverage and "Uninsured/ underinsured" motorist coverage. The Uber representative also stated the Uber excess liability would be effective only if the driver/partner was "online."
- 18) I witnessed the Uber representatives instruct the group to refrain from discussing their association with Uber with their personal insurance company.
- 19) I questioned the Uber representatives about how the passenger would identify the vehicle, and the Uber representative responded that Uber would provide a lighted letter "U" to be placed on the dash of the car when it is operating for Uber.
- 20) I questioned the Uber representative about the criteria to be reviewed in a driver/partner background check. The Uber representative responded that Uber

used a State and Federal background check along with a Motor Vehicle Record from the Department of Motor Vehicles.

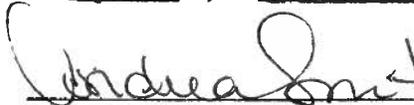
- 21) I questioned the Uber representative to confirm if the Uber background check included a check to ensure the prospective driver/partner was not a registered sex offender. The Uber representative responded that Uber conducts a "social" check.
- 22) I observed a prospective driver/partner ask the Uber representative if she could pick up a passenger in Columbia, SC and take the passenger to Greenville, SC. The Uber representative responded by saying "absolutely;" however she may have to drive back to Columbia without a fare.
- 23) I witnessed the Uber representative state to the prospective drivers/partners that Uber would pay any fines issued to the drivers/partners.
- 24) I asked the Uber representative if he would be located in South Carolina to accept the citation, and I did not get a response from the Uber representative.
- 25) Attachment One to my affidavit is a handout provided to me by the Uber representative.

AND FURTHER THE AFFIANT SAYETH NOT.



L. George Parker Jr.  
Program Manager, Transportation Department  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, S.C. 29201

Sworn and subscribed before me  
this 23<sup>rd</sup> day of June, 20 14



Notary Public for South Carolina  
My Commission Expires: \_\_\_\_\_



## AFFIDAVIT OF TRAVIS T. CRANE

STATE OF SOUTH CAROLINA

COUNTY OF LEXINGTON

The Affiant, after having been first duly sworn, deposes and states as follows:

- 1) My name is Travis T. Crane. I am employed by a company called Extendserv, LLC. This company provides maintenance and other services to Class C Taxi Holders Checker Yellow Cab Co. Inc.; FastServ, LLC; Congaree Taxi leasing LLC, and West River Taxi Leasing, LLC.
  - 2) My office is located at 1715 12<sup>th</sup> St. Cayce, South Carolina, 29033
  - 3) My duties and responsibilities as General Manager for Extendserv include quality control of the fleets of the aforementioned companies and to ensure compliance with all regulations pertaining to the operation of the taxicabs. I assure that the rules and regulations of the Commission are followed by the regulated motor carriers my company contracts with as well as City of Columbia, the Airport and various other municipalities where the taxis operate.
  - 4) On June 17, 2014 I received information from a regulated carrier about a company called Uber. The information was that Uber had scheduled a driver recruitment meeting at the Springhill Suites hotel scheduled to start at 12:00pm Eastern that day. I was asked to attend that meeting and take notes.
  - 5) At 12:00 p.m. eastern daylight savings time on June 17, 2014, I attended the Uber recruitment meeting to obtain information regarding the driver recruitment process for Uber.
  - 6) There were two (2) men there who appeared to be in their early twenties wearing shorts and flip flops who told us they represented Uber. They asked for the attendees' driver licenses upon entering the meeting and handed us printed material which I have included with my affidavit (Handout).
  - 7) I counted 19 people in attendance. The attendees had pre-registered according to the representatives and were summoned to the front of the room and asked to provide proof of insurance in their name. I had not pre-registered. I watched and listened to the process.
-

- 8) The pre-registrants were told the status of their background check and were issued a mount, charger, and I phone. They were also told that they would be e-mailed a service agreement. Once Uber received the signed service agreement from the attendee, Uber would deposit \$50 into a checking account assigned to the new driver/attendee.
- 9) The Uber representatives stated that drivers could expect to make \$25-35/hour. They also stated the company would pay an hourly rate of \$12-15/hour for any driver logged in to carry passengers in order to "get the driver started in this area". They also stated that Uber would pay \$100 to any driver that referred another driver.
- 10) Gift cards were provided in the amount of \$20 for new drivers to hand out to passengers for the first ride. They said this would help stimulate interest in the company.
- 11) Uber stated that our compensation was based on a commission split of 80% for the driver and 20% to Uber.
- 12) We were told that the insurance on our personal vehicles was suitable for carrying on a commercial passenger for hire business but that we shouldn't tell our insurance company about it. Uber stated that they had excess coverage on top of the driver's personal coverage in the amount of \$2 Million but no proof of this was provided.
- 13) The Uber representative told a prospective driver that if his personal insurance policy was in his wife's name to send in an insurance declaration page with his name added.
- 14) The Uber representative told the prospective drivers that Columbia is the first South Carolina city to begin using the UberX service offering due to its college town status. He stated Charleston and Myrtle Beach will be the next cities in which Uber will be operating.
- 15) I heard the Uber representative state during this meeting that the projected launch date in Columbia, SC will be in the next 2 to 3 weeks.
- 16) I witnessed the Uber representatives stating that the busiest operating times are projected to be Friday and Saturday night. The Uber representative stated each driver/partner would learn the peak times.
- 17) A man in the audience asked the Uber representatives about how the passenger would identify the vehicle, and the Uber representative responded that Uber would provide a lighted letter "U" to be placed on the dash of the car when it is operating for Uber.
- 18) An attendee asked the Uber representative if she could pick up a passenger in Columbia, SC and take the passenger to Greenville, SC. The Uber representative responded by saying "absolutely;" however she may have to drive back to Columbia without a fare.

- 19) An attendee asked the Uber representative if this program was legal and his response was "absolutely."
- 20) An attendee identified himself as working with the agency that regulates taxicabs and asked again if the program was legal. The Uber representative responded that the program was legal without giving any specifics.
- 21) The Uber representative stated to the prospective drivers that Uber would pay any fines issued to the drivers.
- 22) A question was asked if there were any city requirements for conducting this type of business. One of the representatives stated that there were not because this was considered a Rideshare service.
- 23) One Uber representative stated that Uber had "won most legal complaints where the PSC or City was involved".
- 24) We were told to watch the video labeled video.uber.com.
- 25) I left the meeting and returned to the office.
- 26) Attachment One to my affidavit is a handout provided to me by the Uber representative.

AND FURTHER THE AFFIANT SAYETH NOT.



Travis T. Crane  
General Manager  
Extendserv LLC  
1715 12<sup>th</sup> Street  
Cayce, SC 29033

Sworn and subscribed before me

this 20<sup>th</sup> day of June, 2014



Notary Public for South Carolina

My Commission Expires: 12-22-18

## STANDARD PRICING

<b>Base Fare</b> Start with this fare	\$1.00
<b>Per Mile</b>	\$1.95
<b>Per Minute</b>	\$0.30
<b>Minimum Fare</b>	\$4.00
<b>Cancellation Fee</b>	\$5.00

**EMAIL:** [partnersCLB@uber.com](mailto:partnersCLB@uber.com)

- Issue with trip
- Updating docs
- General questions
- Questions about payments

**WEBSITE:** [partners.uber.com](http://partners.uber.com)

- Dashboard
- Trip History
- Adding Drivers
- Adding Vehicles



## FARE REVIEWS

If you request a fare review, the app allows you to choose a reason:

- Select the appropriate reason.
- If you have more details, email as at [partnersCLB@uber.com](mailto:partnersCLB@uber.com).

## TRIP START TO FINISH

- 1 iPhone beeps upon receiving a request. Touch center of screen to accept the request.
- 2 Begin driving to pick-up location and address shown. Press **Arriving Now** once there.
- 3 Confirm the rider's name and press **Begin Trip** when ready to depart.
- 4 When dropping off the rider, press **End Trip**.
- 5 Rate the rider 1-5 stars.
- 6 Press **Go to Map** or **Fare Review** if needed.

## CANCELLATIONS

If you need to cancel after waiting 5 minutes, the cancel button is in the top left corner:

- Select the reason for cancelling.
- \$5 per cancellation, but each rider will get 1 free cancellation.

## RATINGS & QUALITY

Uber uses a rating system to determine the highest quality Drivers available when offering trips. If your star rating falls below 4.7, Uber may terminate its contractual relationship with you in accordance with the terms of your Service Agreement. Uber recognizes your right to operate your business as you see fit. However, we thought it would be mutually beneficial to share with you our riders' feedback on some of the characteristics that "5-Star Drivers" share.

### WHAT RIDERS LIKE

**On Time:** Riders like when a driver meets or beats the ETA provided.

**Clean Car:** Riders like a clean car that doesn't smell of smoke or food.

**Professional Dress:** Riders like a driver that appears like a pro, typically a collared shirt, but no suit is needed.

**Friendly Driver:** Riders like to be able to communicate freely with a driver that is friendly and smiles.

**GPS & Efficient Routes:** Riders like a driver that is able to navigate the city very well. If a driver doesn't know the best route, they appreciate proper use of a GPS system.

### WHAT UBER LOOKS FOR

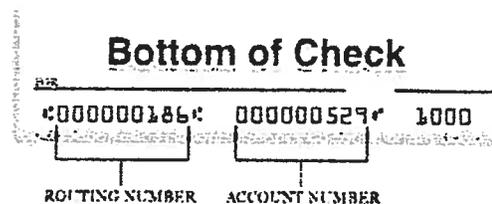
**High Quality Service Stats:** We continually look at your driver rating, client comments, and feedback provided to us. Maintaining a high rating overall helps keep a top tier service for riders.

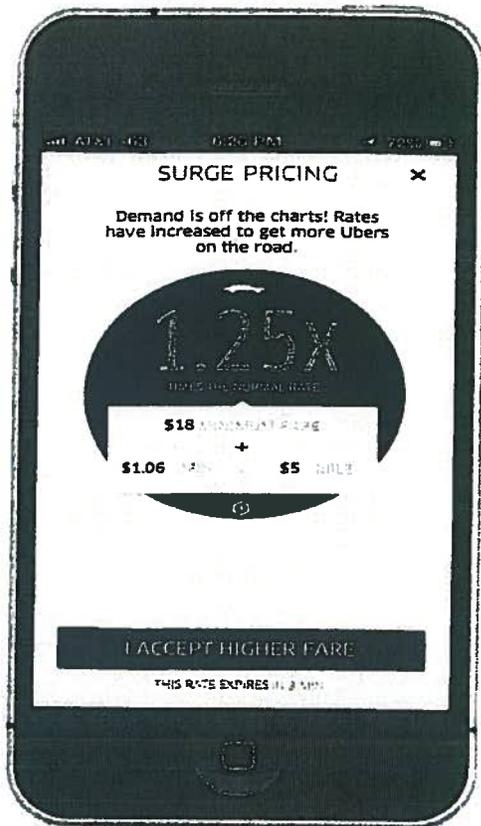
**Low Cancellation Rate:** When you accept a trip request, you have made a commitment to the rider. Cancelling often or cancelling for unwillingness to drive to your clients leads to a poor experience.

**High Acceptance Rate:** Going online means you are willing and able to accept trip requests. Rejecting too many requests leads to rider confusion about availability. You should be offline if not able to take requests.

## PAYMENT INFO

All payment and tax information will be captured via the Uber system. Please log into [vault.uber.com](https://vault.uber.com) to set up your account.





## SURGE

- 1 Surge prices are dynamic and vary in real-time based on demand
- 2 During times of high demand, rates may increase to ensure maximum rides and bring more cars onto the system
- 3 DO NOT quote surge rates or fares to riders
- 4 Riders are aware of surge prices before confirming the request
- 5 In this example, a user wanting a ride would need to accept that rates are 1.25x higher than the standard rates.

**\*\*The most likely surge times are Friday and Saturday nights. Also, major events and holidays like New Year's Eve boost demand.**

## WHEN A RIDER...

**Cancels a trip:** If the rider cancels the trip after you have arrived at the correct pick-up location, the rider will be billed and you will receive a \$5 cancellation fee. If the rider has to cancel because of an error on your part, or if it is their first cancellation, you will not receive this fee.

**Asks to make multiple stops on the way to a flat fare destination:** You are contractually required to complete a trip once you accept it, unless the rider or Uber has waived your obligation to do so. After the trip has completed you should click "Request Review" and then select "Extra Stops on Flat Rate." Our team will investigate the trip and then adjust the fee you receive, if appropriate.

**Tries to pay cash:** All Uber trips are paid for by the rider's credit card on file. If a rider tries to give you cash, please let them know that the trip cost will be charged to his or her credit card, and that tips are not required.

**Is disrespectful:** If a rider is rude or disrespects you or your vehicle, please rate the rider accordingly, using Uber's rider-rating system. If the rider causes damage to your vehicle, on the screen that follows your rating, select "Request Review" and then select "Cleaning Fee." Be sure to take picture of any damage or mess and keep your repair / cleaning receipts. We will follow up with the rider immediately and, with your and the rider's approval, charge the rider any needed clean-up fees, which we will then transfer to you on your weekly invoice.