

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on
Regulations Relating to Passenger
Carriers, Ridesharing, and New Online-
Enabled Transportation Services

Docket R. 12-12-011

**EXHIBITS TO THE OPENING COMMENTS OF THE
SAN FRANCISCO CAB DRIVERS ASSOCIATION
ON PROPOSED DECISION MODIFYING DECISION 13-09-045**

Exhibit A

Uber Brotherhood, and a Few Sisters Too

Posted on May 26th, 2014 at 5:09 pm

I've notice that cabbies have a secret club. It's a tight-knit group of comrades. Many cabbies seem to project a particular personality: grumpy older men with bad health from poor eating habits and lack of exercise. I take one look at the face of a cabbie and assume he resents me. Their club has an image problem.

The desert has only a handful of Uber drivers and, being a social butterfly, I make an effort to meet them. They are a cross section of the desert demographic: mostly retired men who are bored at home. They all seem eager to make a little extra money and love the independence of Uber. But none of the Uber drivers could be called "grumpy old men" the way typical cabbies could be. I'm being harsh on cabbies, but it's my honest impression of the industry. And I know I'm not alone. This is one of the reasons Uber is so popular.

During [Coachella](#) I was exposed to the big city Uber drivers from LA. There were over a thousand drivers who came in for the weekends. Note to the



Confessions of an Uber Driver

Musings from an occasional driver for the ride sharing service, Uber

[Menu](#)

I learned from one LA driver that it's all about being smart, working a strategy. "You got to find the locations with the most demand and the fewest drivers. Quick rides one after another, and with surge rates you will be doing real well." He advised me to hang out at the [JW Marriott Desert Springs](#) resort late at night. It's a major Coachella bus drop off with very few Uber drivers. I took his advice and found it to be true. Riders were grateful to get off the bus to find me waiting for them. I love it when people are happy to see me.

The second weekend I went to the Marriott a little before the late-night rush would be starting. I was sitting in my car, listening to my music while another Uber driver was parked next to me. Looking at him I saw the typical cabbie look: an older man, large tummy, unhappy expression. He cautiously approached me to chat.

"I here two hour. No ride! Very upset. No ride! Where to go? I from Los Angeles." His accent was thick. Combined with his looks I had him pegged as a typical cabbie. But I felt for the guy. He didn't know what to do. So I told him how it had gone for me the previous weekend. "Like fishing in a barrel" I told him. He looked at me funny, "You fish here?" I made motions like I was fishing and said "one ride after another, real soon. You will see. Don't worry." He looked slightly hopeful.

I turned down my music, deciding to engage this lonely man. I would be depressed if I were him. So I asked about his accent. Was it Ukrainian? No, he is Armenian. I replied that my the minister of my childhood church was Armenian. His wife would make Armenian food for the congregation during the holidays. I loved Armenian food.



Confessions of an Uber Driver

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...I thought I knew that for sure. The best driver.

I smiled at his proclamation, and pointed to a convoy of busses pulling up. “Here they come, you will be busy.” My Uber alarm went off and we both hooted. He gave me the thumbs up as I drove away. I heard his alarm go off as well. I imagine he had a good night.

The next night I found myself in the Uber lot in the early evening. We were not permitted to enter the lot unless we were dropping off a rider, and then it was a good strategy to wait in the lot for people leaving the festival early. I was leaning against my car when a large guy slowly approached me. Interesting how a man will approach another man, almost a sideways walk as if to project that they are not a threat.

He introduced himself as one of the first Uber drivers in LA. He was in the Israeli military before moving to LA, and he knows he’s one of the few non-Armenian drivers. Another LA driver came over to agree: they are all Armenian, and they mean business. “These dudes will drive for 36 hours straight, then sleep the rest of the week. They are crazy, but they are good!”

He told me story after story about how they work the business in LA. It’s all about strategy. There’s that term again. Silly me, I thought it was about sitting at home watching TV waiting for the Uber alarm to go off. Nope, these LA drivers work the system. They know where the surges will be and they “surf the surge” all weekend.

Surge is one of Uber’s trademarks. When the demand surges, like during a rainstorm, or after a major event, the price surges as well. Sometimes as much a five times the normal rate. It’s good money for the drivers, but really sucks for the riders. Supply and demand. Market economy at work. Not that



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a guy who could reset my odometer for \$500. Ah, the secret under-world of Uber drivers. Both of our alarms went off so we parted ways with a handshake.

All that strategy talk made me blow it. I was feeling greedy so I headed back to the Uber lot thinking I would be able to “surf the surge” when the major performances ended. Instead I found myself stuck in a two-mile long, double line of Uber drivers on Avenue 50. Not what I wanted to do. Everyone turned their cars off and got out to form little groups. I was leaning against my car trying to do the math: two miles, two lines, how many cars would that be? How long will it take for all of the cars to get thru the Uber lot?

A group of thirty-something drivers formed a group near me. I noticed that the circle was not closed, they left an opening for me. I played nonchalant, working the calculator on my phone. I hate math. The guys all had the Mediterranean look, I assume they were part of the Uber Armenian Brotherhood. Their conversation made me chuckle. In a different era this group of guys would be boasting about how strong their engines were, or how fast they could drive. These guys were bragging about how many miles they could get on their Prius. They were all driving hybrids. Must be the strategy in LA. “Go see John at the Toyota in Van Nuys, he will get you a good lease with a lot of miles. You don’t need to do anything with your car.” Do anything? I know what that means.

I could see them looking at me out of the corner of their eyes. But I didn’t want to jump in. It almost felt like I was intimidating them with my presence. “Who is this older guy driving a Subaru?” I could hear them thinking. “He must be some cool dude.” I’m sure that’s what they thought.

**Confessions of an Uber Driver**

Musings from an occasional driver for the ride sharing service, Uber

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...and a greedy bastard when I'm sure that it wasn't happening. Back to my math: two miles, double line of cars..... too much supply for the demand.... no surge pricing.

One of the Brothers got out of his car telling me to log out of the Uber driver app. "We have too many drivers. Everyone log out to make the surge. Log out!"

It happened. They invited me to their club of Uber drivers, conspiring to fix the rates. They wanted me to share in the strategy. But, I'm not a cabbie! I protested to myself. I'm not! I'm just doing this for fun and extra money. Too late. I was part of the club, conspiring to gouge exhausted festival goers who simply wanted to go home. Anything to make more money. I felt a little bit bad as I logged out of the Uber driver app, but I also felt a little bit like a pirate. I growled as I approached the Uber lot.

"Arrrrgh, ye mateys. Let's find us some surge..."

Comments? uberconfession@gmail.com

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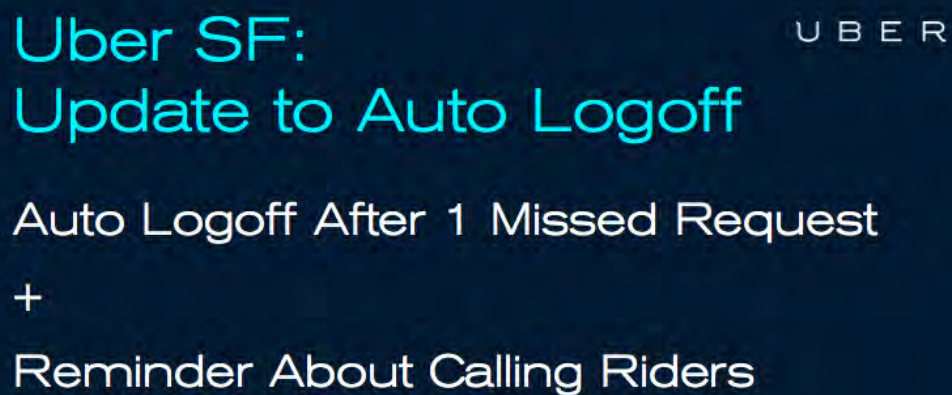
Exhibit B

From: **Trevor Johnson** trevor@sfcda.org
Subject: Fwd: Uber SF: Update to Auto Logoff
Date: June 30, 2014 at 3:39 PM
To:

Subject: Uber SF: Update to Auto Logoff
From: partnerssf@uber.com

Date: Wed, 26 Feb 2014 01:40:54 +0000

U B E R
EVERYONE'S PRIVATE DRIVER™

A dark blue rectangular graphic with white and light blue text. The text reads: "Uber SF: Update to Auto Logoff" in large, bold, light blue letters. Below it, in white, is "Auto Logoff After 1 Missed Request", followed by a white plus sign "+", and then "Reminder About Calling Riders" in white. The Uber logo "U B E R" is in the top right corner of the graphic.

Uber SF: Update to Auto Logoff

Auto Logoff After 1 Missed Request + Reminder About Calling Riders

Dear xxxxxx,

Auto-Logoff After 1 Missed Request

We've received a lot questions from drivers who have noticed that their acceptance rates are lower than expected.

This is usually caused by drivers accidentally remaining online when they intend to go offline. This can happen by simply forgetting to hit the "go offline" button, or even by putting the phone to sleep by hitting the "lock" button on top of the phone (this does not actually cause you to go offline, and can cause you to miss requests unknowingly).

This causes drivers' acceptance rates to decrease, and creates a poor experience for riders, who have to wait an additional 15 seconds for their request to reach another driver. In order to help address this problem, we have made the following change:

If you miss or refuse 1 request, you will automatically be logged offline by the Uber driver app.

- If you are accidentally still online, this will ensure your acceptance rate does not drop too much, and will ensure that riders' requests are only sent to drivers who are online and ready.
- If you are online and purposely decline the request, you are welcome to log back online immediately.

Reminder About Calling Riders

We've gotten some recent complaints from riders about their drivers calling them too early or too often. For your own benefit, we'd like to remind you that **drivers who call their riders unnecessarily tend to receive lower ratings**. Here are some general recommendations for when to call riders.

We **DO NOT** recommend calling riders when:

- **You have accepted their request and would like to let them know you're on your way.** Riders automatically receive a text once you accept their request, so there's no need to call them as well.
- **You have arrived at their pickup location.** They also get a text when you have arrived.
- **You are calling simply to confirm their address.** The app shows their address, so there's no need to call to confirm.

It is **OK** to call your rider when:

- **Their pickup address is very unclear or very unusual, or when the pickup is at the airport.**
- **You are stuck in traffic, so you think you will take longer to arrive than the ETA shows.** They'll appreciate it if you let them know you're still on your way, but you might be slightly delayed.
- **You have been waiting at the pickup location for 5 minutes and they have not come outside yet.** At this point, they might need a reminder that you're ready and waiting.

As always, feel free to reach out if you have any questions!

Regards,

Uber San Francisco



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Exhibit C

From: Trevor Johnson trevor@sfcda.org
Subject: Fwd: Uber SF: Stop by to finish your application, make \$100 after 1 trip. This Thursday only.
Date: June 30, 2014 at 4:32 PM
To:



----- Original message -----

From: Uber San Francisco

Date: 06/18/2014 2:27 PM (GMT-08:00)

To: xxx

Subject: Uber SF: Stop by to finish your application, make \$100 after 1 trip. This Thursday only.

uberX Onboarding Session

**\$100 for your first trip +
\$5,000 in your first month,
Guaranteed**

This Thursday – Details Below!

U B E R

UBER SF

Hey xxx,

You have a few steps left to complete your uberX application! We'd love to help you get on the road making cash during one of the year's busiest times.

We're hosting an in-person onboarding session this Thursday.

We'll make sure your background check is submitted and upload your documents for you to help you start driving as soon as possible.

uberX Onboarding Session

Thursday, June 19, 11am - 7pm

[Fort Mason Center - Fleet Room](#)

[2 Marina Blvd San Francisco, CA 94123](#)

\$100 AFTER YOUR FIRST TRIP
+
\$5,000 IN YOUR FIRST MONTH

Documents Needed:

- Drivers License
- Vehicle Insurance (must have your name listed on the policy)
- Vehicle Registration

Promotion Details:

- **\$5,000** - Avg. 40 hours online per week during your first 4 weeks
- **\$2,500** - Avg. 25 hours online per week during your first 4 weeks

Anything else?

In order to to qualify for either promotion, **you must accept 75% of requests that come to your phone.** Partner cancellations count against your acceptance rate, rider cancellations don't.

You must drive in San Francisco. There will be exceptions, and that's OK (you may get a trip to the airport or across the bay — in that case, please head back to SF afterwards, and do trips along the way).

What if I make more than that? *Anything you make over the guarantee, you keep!*

What if I make less? *If you make less than the guarantee, we'll make up the difference!*

the difference!

See you Thursday!

- Uber SF



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Exhibit D

From: **Trevor Johnson** trevor@sfcda.org
Subject: Fwd: Uber's Get a New Car Program
Date: June 30, 2014 at 4:27 PM
To:



----- Forwarded message -----
From: "Uber SF" <vfinancing@uber.com>
Date: Jun 22, 2014 3:26 PM
Subject: Uber's Get a New Car Program
To:
Cc:

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**Want to drive with Uber but don't
have a car?
We can help.**

Hey XXX,

If you've been unable to afford a car or haven't been able to get

If you've been unable to afford a car or haven't been able to get financing, Uber can help! Owner/operators earn more money and can work whenever they want.

As a driver partner approved to drive on the Uber network, you have special access to financing and discounts on new and used vehicles. These deals are exclusive to Uber's driver partners, and provide unmatched savings and benefits.

[GET STARTED NOW](#)

Details:

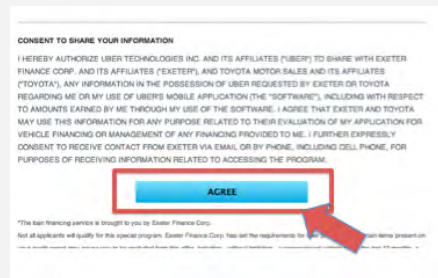
1. **Approval for financing, even on livery licensed vehicles**
2. **Approval for financing, even with poor or no credit***
3. **Low down payment requirements**
4. **Exclusive discounts on new vehicles:**

UBER		Discounts up to:
Toyota – All Hybrids		\$2,000 off
Lincoln MKT		\$4,500 off
Ford Fusion Hybrid		\$1,300 off
Cadillac XTS		\$4,750 off
Chevrolet Suburban		\$5,000 off

(You can take advantage of these discounts even if you don't need financing)

How do I learn more?

- 1) Login to partners.uber.com and click on the [Special Offers page](#).
- 2) Click "See More Details" and then "Agree" to send your contact info to our partners - there's no obligation



Once you click "Agree" we'll provide you with a list of dealers so you can make an appointment to test drive a new or used vehicle.

NOTE: You'll need to sign in to your Partners account, then select [Special Offers](#) from the menu.

[GET STARTED NOW](#)

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Exhibit E

(/) (/)
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Business (<http://venturebeat.com/category/business/>)

With a new name, Breeze is picking up speed and solving Uber & Lyft's supply problems



Image Credit: Breeze

March 31, 2014 6:00 AM

Kia Kokalitcheva (<http://venturebeat.com/author/imkialikethecar/>)



Want to sign up to be an Uber or Lyft driver but don't have a car?

No problem, there's a way around that.

Breeze (<https://www.joinbreeze.com/>), formerly known as ZephyrCar, is launching its new brand today. Essentially, Breeze is a car rental service for would-be Uber, Lyft, and Sidecar drivers, providing them with customized and relatively low-cost access to a car to use for their driving job and even personal use.

Since its creation a few months ago, the company has been laying relatively low. But it says it already has 25 vehicles on the road and plans to be in 20 cities by the end of 2014.

How it works

Drivers first apply to Breeze. The company gives them a "behavioral assessment" (checking for things such as commitment to working as a driver, being responsible for the car, respecting schedules, and so on) and if accepted, Breeze matches them with one of its vehicles. After this, the driver goes on to apply to the ride-sharing companies.

Breeze uses algorithms to match drivers to vehicles as well as with each other — for example, it would match two drivers that live relatively close to each other and with complementary driving schedules such as one driving on weekdays and the other preferring to drive on weekends.

This is also important because the ride-sharing companies collect and even display to riders the license plate and car descriptions to riders, so Breeze's drivers need to be able to use the same vehicle each time they are on the clock.

"We're the first cab company for ride-sharing," Breeze chief executive Jeffrey Pang said to VentureBeat in a phone interview.

This is exactly how the taxi industry works — taxi drivers rent cars from the companies and pay a "gate fee" of about \$120 per day. Breeze charges \$20 per day, plus 25 cents per mile.

Breeze asks its drivers to get their own car insurance, then reimburses them for it after the it determines if the plan is comprehensive enough. In some cases, the company helps its customers choose and apply for insurance.

"Our structure is very similar to rental car insurance," explained Pang.

This emphasis on strong car insurance is presumably also important to Breeze because of the recent accidents involving Uber (<http://venturebeat.com/2014/01/02/police->

name-alleged-uber-driver-who-killed-san-francisco-girl/) and Lyft drivers (<http://venturebeat.com/2014/01/17/lyft-car-reportedly-in-accident-in-san-francisco-injuring-pedestrian/>).

Going from an idea to a fleet of cars

Breeze's co-founders, Jeffrey Pang, Charlie Fang, and Ned Ryan, came up with the idea after spending some time working for Uber and Homejoy where they saw not only the ride-sharing industry up close, but also the supply shortages in such rapidly growing companies and a lack of focus on the drivers and cleaners.

"We had worked at Homejoy and worked at Uber and all these companies had a focus on the consumer," Pang shared.

In contrast, Breeze's focus is on the drivers of the ride-sharing economy. It even does its best to admit only drivers it deems in real financial need of its service and a ride-sharing job. Pang shared that its drivers are usually people who haven't been able to find other jobs or are underemployed and in desperate need of additional income.

One of the most interesting things about Breeze is the source of the cars.

At the beginning, the founders financed as many cars as it could from local dealers until they maxed out their personal credit. Then they paid friends to borrow their cars and even sourced a couple from Craigslist.

Note that the company has no funding yet and has been bootstrapping this entire operation.

However, it has recently struck a deal with an undisclosed provider (Pang declined to share even whether this was a dealer or manufacturer) that has agreed to provide them with large quantities of new hybrid cars, as well as the rest of its fleet, with no money down. Breeze will be effectively leasing the cars and replacing them after a year.

This incredibly easy access to many cars is largely why Pang and his team believe they will be able to scale their model very quickly.

And if you're wondering whether the ride-sharing companies have a problem with Breeze's little operation, it turns out they're quite happy about it.

"All of them are very excited about what we're doing," said Pang. Breeze is actually helping solve the driver supply problems they've all been struggling with, and they are fully supportive.

That's not a huge surprise, as ride-sharing companies have been using a variety of tactics to attract more drivers to help keep up with demand. Uber even launching a program to [finance potential drivers' new cars](http://venturebeat.com/2013/11/25/uber-helping-100k-drivers-buy-cars-to-get-more-ubers-on-the-road/). (<http://venturebeat.com/2013/11/25/uber-helping-100k-drivers-buy-cars-to-get-more-ubers-on-the-road/>)

Pang noted that although there are no formal partnerships with any ride-sharing company for now, discussion have already begun.

And along with its 20-city goal for the rest of the year, Bay Area-based Breeze plans on landing in Los Angeles and other West Coast cities next, as well as raising its first funding very soon.

More about the companies and people from this article:

Uber | Lyft | sidecar | homejoy

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S.F. startup provides rental cars for Uber, Lyft drivers

Carolyn Said

Updated 7:22 am, Tuesday, April 1, 2014

1 of 4

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Breeze co-founders Charlie Fang (left), Ned Ryan and Jeff Pang say their 25 cars are all booked by ride-service drivers. Photo: Lea Suzuki, The Chronicle | [Buy this photo](#)



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More by Carolyn Said

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A San Francisco startup called Breeze is renting brand-new [Toyota](#) Priuses to people who want to drive for Uber and Lyft.

"There is huge demand from people who don't own cars to be part of the 'ride-sharing' economy," said [Jeff Pang](#), CEO and co-founder of Breeze, formerly called Zephyr. "We are solving the problem of getting more drivers on the road."

Breeze now has 25 cars, all fully booked by drivers who answered its Craigslist ads or heard about it from friends, Pang said. Drivers pay the company \$20 a day plus 25 cents a mile, typically totaling \$40 or \$50 a day, Pang

said. Drivers pay for their own gas. (Previously it charged \$50 on weekdays and \$75 on Saturdays with no mileage charge.)

"At \$50 a day, we are effectively cash-flow positive," Pang said.

Where the cars come from and what they cost are crucial questions that the 2-month-old

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"We don't buy outright, as that's a capital-intensive, asset-heavy model," said co-founder Ned Ryan.

Instead, Breeze rents the vehicles from an unnamed partner in the automotive industry, Pang said. "Our partnership gives us unlimited access to cars for the near future." Breeze will switch the cars out annually to keep down maintenance costs.

Who is the partner? "That's our secret sauce we can't reveal," Pang said.

Insurance is a huge and still-evolving issue for app-enabled ride services like Uber and Lyft.

Drivers share cars

Breeze requires drivers to get personal insurance tied to their rented car and gives them \$150 a month to cover it. Drivers are assigned to specific cars; generally two people share a vehicle with each reserving full 24-hour days. One might drive on Monday, Tuesday and Thursday and the other on the week's remaining four days, for instance.

Pang said there is no requirement for members to inform insurers that they will be driving for the ride services. However, when The Chronicle interviewed three drivers, he requested that their last names be withheld. Revealing their full names "would jeopardize their livelihood with the insurance companies," he said. "Insurance companies will ban you if you disclose you're doing 'ride sharing.' "

Pang said the insurance is designed to cover the drivers' personal use of the cars. "Uber and Lyft act as the primary form of coverage while the app is on," he said in an e-mail.

That is not strictly true. Uber and Lyft have "excess" policies, designed to kick in after the personal policy is exhausted. Also, while Uber's insurance now applies as soon as its app is on, Lyft's coverage only starts once a driver has accepted a ride request.

The three drivers, Pamela, Luke and Steve, have each been renting Breeze cars for a month or less, and driving full time. Each said they are happy with their relationship with Breeze and its pricing. Luke and Pamela own personal cars but said they are too old to pass muster with the ride companies.

The emergence of "supply-side feeder" businesses like Breeze validates how quickly smartphone ride services have matured, said [Lisa Gansky](#), founder of consulting firm Mesh Labs, which specializes in collaborative economy issues. She has investments in ride service Sidecar and in peer-to-peer car-rental marketplace RelayRides.

However, she was taken aback by the business model.

"It's hard to imagine that this has either sufficient margin or scale to be meaningful in terms of profits," she said.

She also questioned whether the insurance was sufficiently robust.

Sourcing questions

Chris Brown, executive editor of [Auto Rental News](#), was perplexed by Breeze's car sourcing.

"Who in their right mind would rent out brand-new Priuses to a broker who then rents out to someone else for low prices?" he said. Margins seem "really thin when you consider that there is an extra layer; the guy renting out the Priuses will want to make money too."

New cars lose value rapidly. "It doesn't quite add up when you consider the amount of depreciation as you put miles on a car and the costs of ownership per mile," Brown said.

Pang said Breeze is pursuing partnerships with Uber and Lyft. Neither of those companies commented. Uber has a pilot program with [General Motors](#) and Toyota to help its drivers



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San Francisco
Pride Parade
2014



Pink Triangle
installed on Twin
Peaks for S.F.
Pride 2014



Scenes from
Glastonbury
2014

has not disclosed it's coverage to it's drivers. Be aware, if you take ride in NON TCP vehicle.

2 months ago 0 Likes

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scorejockey Rank 979

I do have to say I used uber for the first time last weekend and it was the best experience getting around the city I ever had. They have a customer for life with me.

2 months ago 1 Like

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sffan76 Rank 4486

Brilliant ideas wannabe-get-rich-fast folks!

New ideas of renting ... heard of Hertz?

New ideas of car-sharing ... heard of Yellow Cab?

And to top it off ... solving worldwide problems by "...getting more drivers on the road."

Nice job NOT!

2 months ago 1 Like

[Like](#) [Reply](#) [Share](#)



nhr215 Rank 1138

Terrible business model buy clearly a bunch of me-too morons...At best they will be high-volume money losers, more likely they will be low-volume money-losers...

2 months ago 3 Likes

[Like](#) [Reply](#) [Share](#)



UrbanExplorer Rank 477

Why not just test drive a new car, stick a pink mustache on it and pick up a couple of fares.

2 months ago 0 Likes

[Like](#) [Reply](#) [Share](#)



morgwai Rank 3590

Ok, I'll start a startup renting gas out to Uber/Lyft and Breeze.

2 months ago 4 Likes

[Like](#) [Reply](#) [Share](#)



bewatcher Rank 1820

This is the quickest way to get rich for the founders if Uber/Lyft take off. Brief will be a perfect M&A target. Poor drivers will get nothing out of the M&A. Wondering if the non-competing clause applies since the founder(s) came from Uber.

2 months ago 2 Likes

[Like](#) [Reply](#) [Share](#)



happygrazer Rank 570

Waiting for the april fools.

2 months ago 7 Likes

[Like](#) [Reply](#) [Share](#)



mreedoak Rank 231

Leasing cars to people that already own cars? Sounds like the supes should look at their no parking needed plans if they support this tech company.

2 months ago 2 Likes

[Like](#) [Reply](#) [Share](#)




mreedoak Rank 231

So people seem to be questioning how this would work but leasing a car then relreasing it for \$40 a day which means \$1200 a month seems to leave some room.



How much is the daily lease on a Prius?


Of course there is still the insurance issue costs which may have to be added on but will this take it up to the taxi gate cost?


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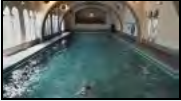
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Exhibit F

**TERM SHEET FOR SETTLEMENT
BETWEEN THE SAFETY AND ENFORCEMENT DIVISION OF THE
CALIFORNIA PUBLIC UTILITIES COMMISSION AND
UBER TECHNOLOGIES, INC.
RE CASE PSG-3018, CITATION F-5195**

Parties

The parties to this agreement are Uber Technologies, Inc., dba Uber ("Uber"), and the Safety and Enforcement Division ("SED" and formerly known as the Consumer Protection and Safety Division "CPSD") of the California Public Utilities Commission ("CPUC") (collectively, "the Parties").

Recitals

Uber's smartphone application ("App") currently connects riders seeking transportation to commercially licensed drivers, who are licensed and regulated by the California Public Utilities Commission ("CPUC") as Charter-Party Carriers ("TCP holders") to provide transportation service.

In the future, Uber's App could be used to connect riders seeking transportation to drivers that are not TCP holders or employees of TCP holders ("Non TCP Holders"), pursuant to the terms of this agreement or as otherwise provided under the CPUC's regulations. The CPUC has instituted an Order Instituting Rulemaking, R.12-12-011 ("Rulemaking") to consider whether the CPUC should adopt changes to its regulations pertaining to passenger transportation in light of the emergence of companies with business models such as Uber, Lyft and SideCar.

Agreement in Principle

The Parties have agreed that during the interim period pending a final decision of the Rulemaking, Uber will agree to comply with the requirements set forth below.

In light of this agreement, and provided that Uber complies with the requirements set forth below, pending the issuance of a final decision by the CPUC in the Rulemaking, SED agrees to take no further action to enforce Citation F-5195 in Case PSG-3018 or the Notice to Cease and Desist in Case PSG-3018.

The Parties understand and agree that nothing in this agreement in principle is, or shall be construed as, constituting an admission with respect to any matter of fact or law in dispute between the parties.

Requirements

During the interim period pending a decision of the CPUC in the Rulemaking, Uber agrees to the following:

1. Comply with all state and local laws regarding maintenance of an active corporate or LLC status, have a current Statement of Information on file with the Secretary of State, have an agent of service of process with a physical business or residential address, and file all applicable fictitious business names.
2. Require that any TCP holder that enters into a contract with Uber to provide transportation service to users who request a ride via use of the App, shall not transport passengers for hire onto airport property unless such transportation provider possesses the requisite authority or license from the airport authority involved.
3. Contact the California Department of Food and Agriculture's Division of Measurement Standards regarding its development of a certification program of GPS-enabled iPhone and Android mobile devices for use in the calculation of fares for passenger transportation.
4. Allow duly authorized representatives of the Commission the right to access, during ordinary business hours and upon at least 24 hours prior written notice, Uber's offices for the purpose of inspecting Uber's accounts, books, papers, and documents, including electronic data, solely for the enforcement of the Terms of this agreement.
5. Provide SED's Consumer Intake Unit ("CIU") with a contact person to respond to any complaint filed against Uber or a TCP holder that provides transportation to an Uber user. Uber shall also provide information on its website informing its users how to file a complaint with Uber and SED's Consumer Intake Unit. See Note 1 for specific terms.
6. Require any TCP holder that enters into a contract with Uber to provide transportation service to comply with General Order 115-F regarding the levels and terms of the insurance to cover their drivers and their vehicles. Uber shall also provide to the Commission a copy of the insurance policy evidencing \$5,000,000 of excess Public Liability and Property Damage insurance applicable to the provision of transportation services by third parties. Uber shall continue to comply with applicable California labor and employment laws applicable to Uber's employees. All insurance shall always be active and in effect and proof of insurance must be on file with the Commission while Uber is conducting its business in California.
7. Maintain all records regarding trips where transportation providers utilized Uber technology within the State of California for a period no less than three years or until any OIR and any subsequent legislative action is adopted.

The requirements set forth above will be met upon execution of this agreement. During the interim period pending a decision of the CPUC in the Rulemaking, SED agrees to the following:

1. Suspend CPD's Cease & Desist letter issued to Uber.

2. Suspend CPSP's Citation against Uber.

Term

Unless otherwise terminated in accordance with this agreement, the term of this agreement shall extend from the time that the agreement is fully executed by the parties to the date of execution of a settlement agreement or consent decree superseding this agreement, or to the date of issuance by the Commission of a final non-appealable decision in the Rulemaking, whichever is sooner.

Violations

In the event that Uber fails to comply with any of the terms of this agreement, SED may terminate the agreement and, in its discretion, pursue any and all remedies available to it under existing law pertaining to Case PSG-3018 and Citation F-5195.

Terms & Conditions for Interim Use of Non TCP Holders

During the term of this agreement, transportation services may be provided by drivers through use of the App that are Non TCP Holders on the same terms and conditions as SED permits other Non TCP Holders to do so through other platforms, provided that, in addition to the requirements noted above, Uber complies with the following additional terms and conditions.

1. Not allow any Non TCP Holder using the App to use a vehicle designed, used, or maintained for carrying more than 10 persons, including the driver.
2. Track on a quarterly basis the total fees or donations paid by riders who have used the App for transportation by a Non TCP Holder, rounded to the nearest dollar. Quarters begin January 1, April 1, July 1, and October 1.
3. If allowed by the Department of Motor Vehicles ("DMV"), Uber shall enroll all of the drivers using the App in the DMV Employer Pull Notice ("EPN") Program that are Non TCP Holders and are not already enrolled in the EPN. In lieu of registering for the DMV EPN Program, Uber will enroll in the DMV's Commercial Requester Account program to allow the DMV to run the driver's license record of the participating drivers upon registration and obtain the basic driver's license records for each Active Driver on a quarterly basis for the period beginning on the date of this agreement (with the first pull beginning March 31, 2013) through December 31, 2013. If there is no final determination by the Commission with respect to rulemaking R.12-12-011 on or before December 31, 2013, the parties agree to work together in good faith to revisit the terms of this provision. For purposes of this section, an "Active Driver" shall be defined as any Non TCP Holder driver who has provided a ride matched on the App within the 90 day period prior to the pull. Uber will remove any driver from its system if such driver does not meet the

following criteria: (1) no more than three (3) moving violations in the three-year period prior to such check; and (2) no major violations (defined as those violations valued at two (2) points or higher under CVC Section 12810 that include, but may not be limited to, DUI, hit and run, attempting to evade the police, reckless driving, or driving on a suspended or revoked license).

4. Institute a Zero-Tolerance Intoxicating Substances policy with respect to Non TCP Holders using the App, as follows:

- * Uber will include on its website, mobile application and riders' confirmations of their rides, notice/information on the App's Zero-Tolerance policy and the methods to report a Non TCP Holder driver (a "Zero-Tolerance Complaint") (a) with whom the rider was matched under the App and (b) for whom the rider reasonably suspects was under the influence of drugs or alcohol during the course of the ride.
- * The website and mobile App must include a Uber phone number, link, and email to contact to report the Zero-Tolerance Complaint.
- * Promptly after a Zero-Tolerance Complaint is filed, Uber shall suspend the Non TCP Holder driver's access to the App.

5. Uber will require each Non TCP Holder to undergo a national criminal background check prior to such driver's registration for the App that shall include the Multi-State/Juris Criminal Records Locator or other similar commercial nationwide database with validation (primary source search) and National Sex Offender databases. Any criminal conviction within seven (7) years prior to the date of such search for a violent crime, a crime involving property damage, or theft will deem applicant ineligible for the program.

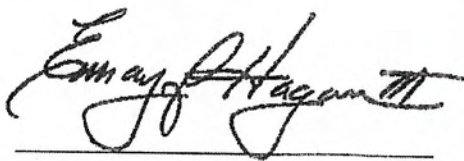
6. Uber shall also provide to the Commission a copy of the insurance policy evidencing \$1,000,000 of excess Public Liability and Property Damage insurance applicable to the provision of transportation services by Non TCP Holders.

Such use of Non TCP Holders shall not constitute a violation of the terms of this agreement by Uber.

Notes

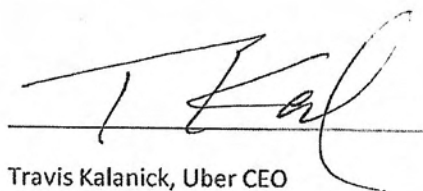
Note 1: Provide SED's Consumer Intake Unit the name, address, email address, and telephone number of a person and a backup person to respond to any complaint filed against your company. Your company will respond within 15 days to any written complaint concerning transportation service arranged via use of your company's software application program. Your company shall, within 15 days, respond to Commission staff inquiries regarding complaints and provide copies of any requested

correspondence and records. Your company shall have a section on its website with instructions on how to file a complaint with your company. It shall also include language on how to file a complaint with the Commission's Consumer Intake Unit as well as contain the CIU's toll free number: 800-894-9444.

A handwritten signature in cursive script, reading "Emory J. Hagan, III", written over a horizontal line.

1/24/13

Brigadier General (CA) Emory J. Hagan, III, Director SED

A handwritten signature in cursive script, reading "Travis Kalanick", written over a horizontal line.

1/30/13

Travis Kalanick, Uber CEO

Requirements

Zimride, Inc. ("Zimride") agrees to the principles set forth below in concept with respect to the Lyft real-time ridesharing platform and it understands the parties will develop the final language to a settlement or consent decree at a later date. The parties agree that the principles set forth below will apply only to the Lyft mobile application (the "Lyft Platform"). The parties further understand that Zimride's acceptance of these principles acknowledges, for purposes of this agreement, that the Commission has the authority to propose and adopt these types of requirements, but it does not waive Zimride's right to propose or support different principles, terms or conditions in the OIR proceeding or in any other forum.

Zimride will:

1. Comply with all state and local laws regarding maintenance of an active corporate or LLC status, have a current Statement of Information on file with the Secretary of State, have an agent of service of process with a physical business or residential address, and will file all applicable fictitious business names.
2. Comply with all state and local laws, including those of the governing body of any airport.
3. Not allow any vehicle designed, used, or maintained for carrying more than 10 persons, including the driver, to use the Lyft platform.
4. Provide the Commission's Safety & Enforcement Division's ("SED") Consumer Intake Unit ("CIU") the name, address, e-mail address, and telephone number of a primary contact person and a backup contact person at Zimride. Zimride shall have a section on the Lyft website with instructions (as mutually agreed to by the parties) regarding how a Lyft user may file a complaint regarding Lyft's service or problems related to the Lyft Platform with the Commission's Consumer Intake Unit as well the CIU's toll free number (800-894-9444). Zimride shall respond within 15 business days of notification by CIU of such a complaint.
5. Track on a quarterly basis the total fees or donations paid by riders who have used the Lyft Platform, rounded to the nearest dollar. Quarters begin January 1, April 1, July 1, and October 1.
6. Zimride must have on file with the Commission an insurance policy, excluding an Acord Certificate, evidencing \$1,000,000 of combined-single limit excess liability insurance. This insurance will be in effect at all times when any driver is transporting a passenger that has been arranged using the Lyft Platform. Zimride shall also have workers' compensation insurance to cover its employees. By way of clarification, any records or information obtained pursuant to this section shall be kept confidential by the Commission, shall not be subject to the Public Records Act, and shall not be used in any manner in the rulemaking proceeding. The Commission will be allowed to publicize the fact that Zimride has insurance and the amount of the insurance policy. If a Lyft Platform user is involved in an accident and Zimride does not respond to such user within five (5) business days of the user filing a claim at protection@lyft.me, SED may share the policy number and identity and contact information of the insurer with such user.

7. If allowed by the Department of Motor Vehicles ("DMV"), Zimride shall enroll all of the drivers using the Lyft Platform in the DMV Employer Pull Notice ("EPN") Program. In lieu of registering for the DMV EPN Program, Zimride will enroll in the DMV's Commercial Requester Account program to allow the DMV to run the driver's license record of the participating drivers upon registration and obtain the basic driver's license records for each Active Driver on a quarterly basis for the period beginning on the date of this agreement (with the first pull beginning March 31, 2013) through December 31, 2013. If there is no final determination by the Commission with respect to rulemaking R.112.112.011 on or before December 31, 2013, the parties agree to work together in good faith to revisit the terms of this provision. For purposes of this section, an "Active Driver" shall be defined as any driver who has provided a ride matched on the Lyft Platform within the 90 day period prior to the pull. Zimride will remove any driver from its system if such driver does not meet the following criteria: (1) no more than three (3) moving violations in the three-year period prior to such check; and (2) no major violations (defined as those violations valued at two (2) points or higher under CVC Section 12810 that include, but may not be limited to, DUI, hit and run, attempting to evade the police, reckless driving, or driving on a suspended or revoked license).

8. Allow duly authorized representatives of the Commission the right during ordinary business hours and upon at least 24 hours' prior written notice, to enter Zimride's office(s) for the purpose of inspecting Zimride's records solely for the enforcement of the terms of this agreement.

9. Maintain all records relevant to the enforcement of the terms of this agreement within the State of California for a period no less than one year from the date this agreement expires or is terminated.

10. Institute a Zero-Tolerance Intoxicating Substances policy with respect to drivers using the Lyft Platform, as follows:

- * Zimride will include on its website, mobile application and riders' confirmations of their rides, notice/information on the Lyft Platform's Zero-Tolerance policy and the methods to report a driver (a "Zero-Tolerance Complaint") (a) with whom the rider was matched under the Lyft Platform and (b) for whom the rider reasonably suspects was under the influence of drugs or alcohol during the course of the ride.

- * The website and mobile application must include a Lyft phone number, link, and email to contact to report the Zero-Tolerance Complaint.

- * Promptly after a Zero-Tolerance Complaint is filed, Zimride shall suspend the driver's access to the Lyft Platform.

11. Zimride will require each driver applicant to undergo a national criminal background check prior to such driver's registration for the Lyft Platform that shall include the Multi-State/Juris Criminal Records Locator or other similar commercial nationwide database with validation (primary source search) and National Sex Offender databases. Any criminal conviction within seven (7) years prior to the date of such search for a violent crime, a crime involving property damage, or theft will deem applicant ineligible for the program.

The SED agrees:

1. To suspend the payment of the \$1,000 fee (equivalent to a Charter-Party Carrier application fee).
2. To suspend the payment of a percentage of gross California intrastate passenger revenue.
3. To suspend the notice to cease and desist issued to Zimride on August 23, 2012 and the Citation # CF-5193 issued to Zimride on November 13, 2012.
4. SED shall not disclose or permit disclosure of any information of Zimride to third parties or to employees of the Commission, other than employees of the Commission who are required to have the information in order to carry out the intent of this Agreement. Information furnished to the Commission under this agreement shall be afforded the protections of California Public Utilities Code Section 583 and General Order No. 66-C.

All requirements must be met within 15 days of signing this agreement. SED may grant limited extensions for specific requirements above. These principles shall automatically expire upon the publication of the final decision for Rulemaking R.12.12.011. If the rulemaking determines that Zimride does require charter-party authority and Zimride immediately applies for authority, this agreement will be extended another 60 days.

Any violation of this agreement may result in its revocation and a citation for illegal operations.

Zimride, Inc.

By: 

John Zimmer, Chief Operating Officer

On: January 11, 2013

Safety and Enforcement Division

By: 

Name: Emory T. Fabian, III

BC

CSNR

Director SED

1/11/2012