

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Harrisburg, Pennsylvania 17120

Re: Gegen LLC

Public Meeting held September 17, 2015  
2474633-LAW  
Docket No. P-2015-2474633

STATEMENT OF COMMISSIONER ROBERT F. POWELSON

Before the Pennsylvania Public Utility Commission (Commission or PUC) today is a Petition by Gegen LLC (Gegen) for Waiver of the tariff regulations governing limousine service.<sup>1</sup> Gegen currently holds a certificate to operate limousines in designated areas of Pennsylvania. Gegen also holds a brokerage license from the Commission. In this filing, Gegen seeks permission to set its limousine rates flexibly through a mobile application (App) developed by Uber Technologies, Inc., rather than establishing rates based on time and in accordance with a tariff, as required by the Commission's limousine regulations.

It is important for the PUC to be open to exploring new business models and ways of transporting the traveling public in Pennsylvania. As the PUC has previously stated, the Commission strives to ensure that its current regulatory structure is not a barrier to desirable changes in the transportation industry.<sup>2</sup>

However, in this case, Gegen's petition represents significant departure from established regulatory norms governing limousines. Currently, our regulations define limousine service as an advanced-reservation luxury service where fares are based on time instead of mileage.<sup>3</sup> Mileage-based fares have traditionally been unique to taxi service. In recent months, the Commission has granted requests by other motor carriers, including Gegen's affiliate, Rasier-PA LLC (Rasier), to set fares based on market forces and to notify customers of those prices through an App. However, these requests have been in the call or demand arena where adjusting fares quickly based on market forces makes sense given that the demand for taxis can change on a minute-to-minute basis.

After reading Gegen's filing, it remains unclear why there would be a need to set prices for limousines on a minute-to-minute basis through an App, given that most limousines are generally booked far in advance for special events. Nor is it clear whether limousine cars could operate under the Rasier certificate if call or demand service is the service to be provided. Regardless, if Gegen is privy to a change in the marketplace of which I am unaware and perceives a need by the traveling public that is not being fulfilled, than I am certainly willing to explore it.

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<sup>1</sup> Gegen seeks a waiver of 52 Pa. Code § 29.234.

<sup>2</sup> *Application of Rasier-PA LLC, a Wholly Owned Subsidiary of Uber Technologies, Inc., For Emergency Temporary Authority to Operate An Experimental Ride-Sharing Network Service Between Points in Allegheny County, PA*, Docket No. A-2014-2429993 at 12 (July 24, 2014).

<sup>3</sup> See 52 Pa. Code § 29.332-334.

The place to determine whether such a service would benefit Pennsylvanians is not through a waiver of the limousine regulations. The changes that Gegen proposes have the potential to blur the distinction between limousine and taxi service and represent too big a departure from traditional motor carrier regulations to be dealt with in a waiver proceeding. If Gegen would like to pursue such a business model, it can apply for a certificate to operate under experimental service.<sup>4</sup> The regulation providing for experimental service is designed specifically for this purpose – to address types of motor carrier service that do not fall squarely within our existing regulatory categories. Moreover, in such a proceeding, the Commission could hear from all participants in the marketplace and determine whether this new model of limousine service makes sense and can be operated safely and for the benefit of Pennsylvanians.

Whether it is through Gegen’s limousine proposal or through other transportation innovations, I look forward to being involved in the evolution of the transportation sector in Pennsylvania. Technology has the potential to revolutionize the nation’s motor carrier industry, and I am confident that the PUC will take an active role in ensuring that this evolution occurs in Pennsylvania in a manner that will benefit both the traveling public and transportation providers.

DATE: September 17, 2015

  
Robert F. Powelson, Commissioner

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<sup>4</sup> See Pa. Code § 29.352.