

**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 CPSD's Cease & Desist letter issued to Uber.

2. Suspend CPSD'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

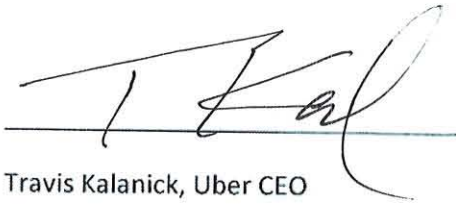
correspondence and records. Your company shall have a section on its website with instructions on how to file a complaint with your company. It shall also include language on how to file a complaint with the Commission's Consumer Intake Unit as well as contain the CIU's toll free number: 800-894-9444.



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1/24/13

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



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1/30/13

Travis Kalanick, Uber CEO