

# 67  
Edward Kargbo



## Austin Transportation Department

505 Barton Springs Road, Suite 800  
Austin, TX 78704  
(512) 974-1150, Fax (512) 974-1171

February 15, 2013

Mr. Sunil Paul  
Side.Cr. LLC  
DBA SideCar  
360 Pine Street, Ste. #700  
San Francisco, CA 94104

Dear Mr. Paul:

It has come to my attention that, your company, "SideCar" is planning to offer ground transportation services within the established city limits of Austin, Texas. As the Director of the Austin Transportation Department, I am obligated to inform you that your intended operations which connects passengers with drivers using a mobile application requires permitting and authorization through our Ground Transportation Office.

**AS SUCH, THIS LETTER IS WRITTEN AS NOTIFICATION TO IMMEDIATELY CEASE AND DESIST YOUR CURRENT AND FUTURE OPERATIONS THAT ARE INTENDED TO DISPATCH VEHICLES-FOR-HIRE WITHIN THE CITY OF AUSTIN'S RIGHTS-OF-WAY WITHOUT SECURING THE PROPER AUTHORITY.**

According to the Austin City Code, when ground transportation services are offered for compensation, the service provider must first secure an Operating Authority and all drivers associated with the provider must possess a City of Austin issued chauffeur permit. It should also be noted that the City of Austin may, and does, license, fix the charges or fares made by, and otherwise regulates any person who owns, operates, or controls any type of vehicle used in its public streets or alleys that carry passengers or freight for compensation.

Again, this letter is written as notification to immediately cease and desist your current and future operations that are intended to dispatch vehicles-for-hire within the City of Austin's rights-of-way without securing the proper authority. Operating an unpermitted vehicle for hire without prior authorization is a criminal offense. Vehicles and drivers observed providing for-hire services without the proper permits will be cited along with "SideCar" corporate representatives for each violation.

Should you wish to further discuss this matter, please contact Carlton Thomas, Transportation Regulatory Supervisor at (512) 974-7020.

Sincerely,

A handwritten signature in blue ink that reads "Robert Spillar, P.E." with a stylized flourish at the end.

Robert Spillar, P.E., Director  
Austin Transportation Department

Cc: Gordon Derr – Assistant Director Transportation  
Steve Grassfield – Parking Enterprise Manager  
Angela Rodriguez – Assistant City Attorney

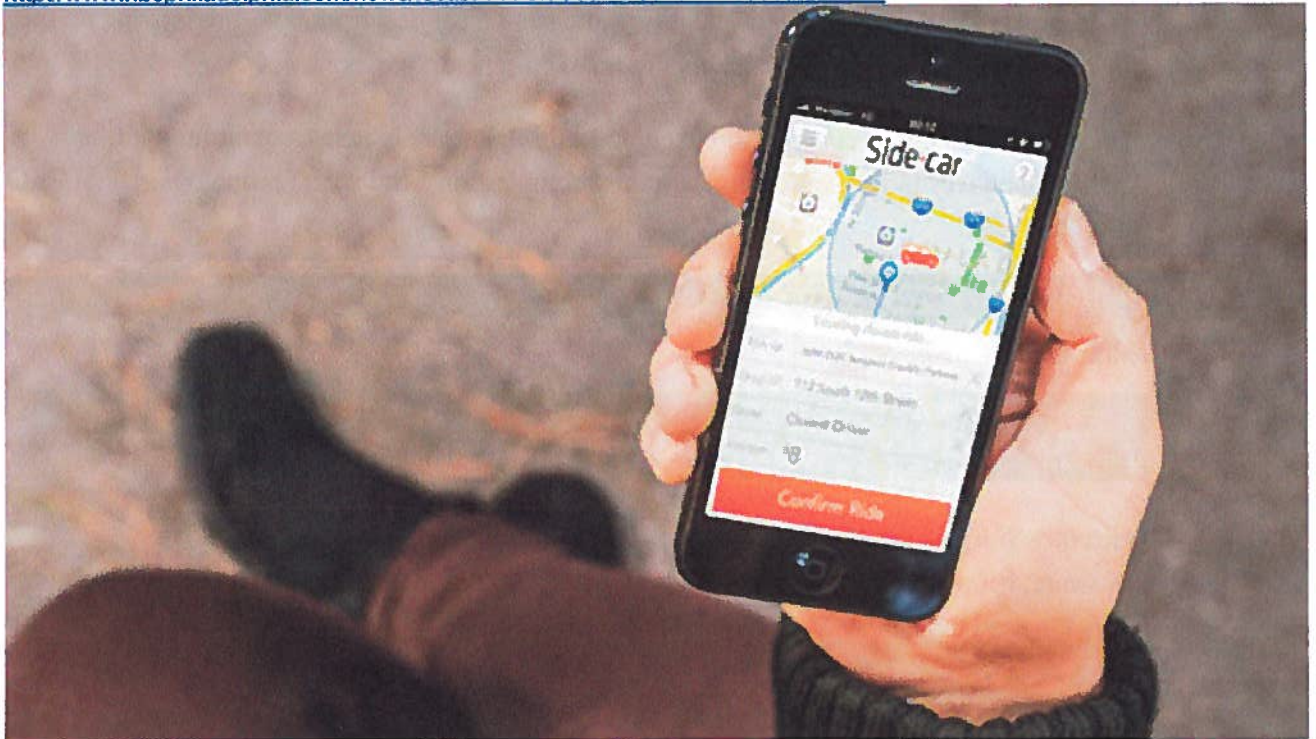
# PPA, SideCar Still at Odds

Agency says public safety is at risk and rideshare service is operating illegally. SideCar counters that they are doing nothing wrong

By Dan Stamm

| Tuesday, Mar 5, 2013 | Updated 5:42 PM EST

<http://www.nbcphiladelphia.com/news/local/PPA-SideCar-Licenses-195360071.html>



SideCar uses an app to connect people needing a ride with drivers using personal vehicles.

advertisement

There is no agreement in Philadelphia between officials and a company trying to make hailing a ride as easy as a few taps of a smart phone.

The arrival of SideCar -- an app-based ridesharing program where people in need of a ride pay average Joes to take them in their regular cars -- was marked with impounds and fines by the Philadelphia Parking Authority, the agency in charge of licensing taxis in Philadelphia.

"The bottom line is that they are in violation of the law... there are rules and regulations," PPA spokesman Martin O'Rourke told NBC10.com.

The crackdown prompted SideCar to ask Philly to "give sharing a chance."

But that chance might not come should SideCar, which only debuted in the city three weeks ago, tries charging for rides again.

SideCar, which currently supplies rides from 5 p.m. to 3 a.m. on Friday and Saturday nights, serves as a portal between drivers and people looking for a ride -- taking a percentage of the cost of the ride while the driver gets the rest.

Similar to taxis, anyone can get a ride but unlike cabs, a rider must pre-register his or her credit card and the driver must supply photos and a car description before picking up the rider. And, the drivers use their personal unmarked four-door cars.

"This battle is as old as competition itself and I think Philadelphia as a community, like America, believes in innovation and certainly competition," SideCar Technologies, Inc. CEO Sunil Paul said.

The PPA says the technology has nothing to do with it and this is all about rules and regulations.

"This is a company that's using technology but they are providing illegal cab service in the city of Philadelphia," O'Rourke said.

Currently SideCar, which despite its base in California is registered as an LLC in Delaware, is operating without government oversight and that led to the service's drivers being targeted in just its second weekend of operation. Three cars were impounded, each of those drivers was given a \$1,000 fine for operating an illegal taxi and the company also got hit with \$3,000 in fines, according to the PPA.

NBC10.com spoke to SideCar's founder Paul via phone from the company's Bay Area offices.

"We're disappointed... I can't say we were 100 percent surprised after all we've seen similar kinds of behavior by regulators in other locations... We were surprised it happened so aggressively.

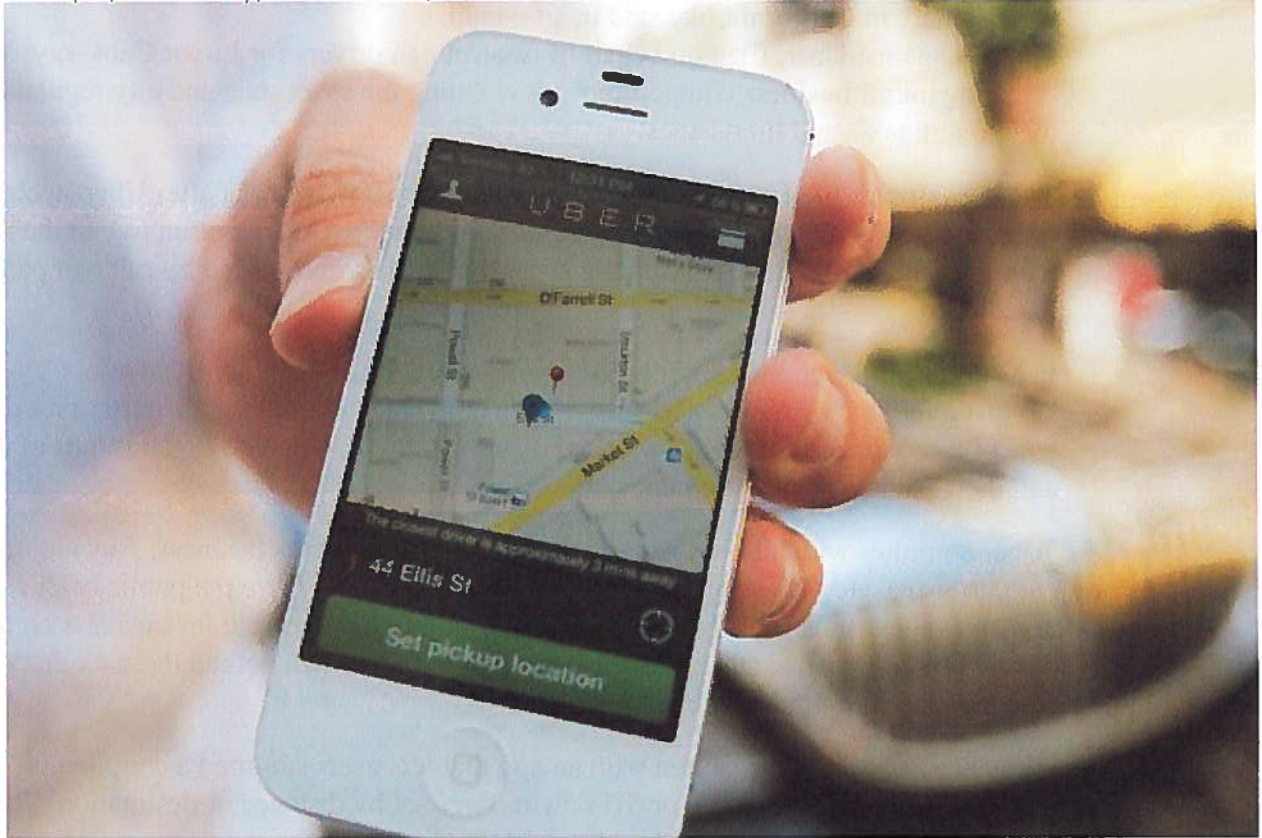
The PPA has a financial interest in protecting the city's taxi companies and, most importantly according to the agency, the safety of cab riders.

"This whole issue is about public safety: making sure the car is safe; making sure that the car is insured; making sure the driver is trained; that the driver has a valid driver's license; that there's a criminal background done on the driver," O'Rourke said. "These are all safeguards for the public safety that SideCar does not perform. Who knows whether their cars are inspected? Who knows whether the driver even has a valid driver's license?"

## Uber, Lyft, SideCar hit with \$20K fines

By Benny Evangelista

Updated 5:43 pm, Wednesday, November 14, 2012



Uber CEO of Uber Travis Kalanick uses the application they use to give exact location and connect a customer and a driver in San Francisco, Calif. on May 1, 2012.

Photo: Siana Hristova, The Chronicle

Read more: <http://www.sfgate.com/business/article/Uber-Lyft-SideCar-hit-with-20K-fines-4037863.php#ixzz2MorJnEZI>

The state Public Utilities Commission on Wednesday fined Uber, Lyft and SideCar \$20,000 each for illegally operating their high-tech taxi and limousine hailing services without the required permits.

The fines come as Uber also responded to a class-action suit that claims the service is unfairly taking away fares from San Francisco taxi drivers.

The commission said the San Francisco companies, which use smartphone apps to arrange rides, have 20 days to pay the fines or file an appeal.

The companies have been operating without getting the commission's approval, which would ensure that they have insurance to cover accidents and that employees and drivers are protected. Jack Hagan, the commission's director of consumer protection and safety, said in a statement,

"This is a matter of public safety," Hagan said.

Uber CEO [Travis Kalanick](#) said his company does comply with the state's requirements. "We will continue to work with the [PUC](#) and educate them on our innovative and legal technology platform so that we can ensure that innovative transportation options can flourish here in California," he said in an e-mail.

The suit against Uber, filed on behalf of two veteran drivers for Luxor Cabs, says Uber is "creating unfair business competition" by violating the strict state and city regulations that govern taxis and limousines.

The lawsuit was filed in San Francisco Superior Court two weeks after Uber steered itself into the path of cab companies by expanding its service with an option to hail the nearest participating taxi with its smartphone app. Uber has also been sued by cab companies in Chicago.

In a statement, Uber attorney [John B. Quinn](#) called the latest lawsuit "baseless." "In just over two years, Uber has provided a convenient, popular transportation option to tens of thousands of San Franciscans and a new source of income to thousands of drivers and their families," the statement said.

"Uber complies with all laws and regulations applicable to its business. Any claim to the contrary is baseless and motivated by those who seek to deprive the public of this safe and convenient transportation option. Uber would rather compete for business on the streets of San Francisco than in the courtroom, but Uber will defend these claims in court and is confident of the outcome."

Launched in 2009, Uber started with an app that lets users summon a commercial "black car" service sedan, limousine or SUV, with fares set by distance or destination. The fares, tip and booking fee are charged to the user's credit card.

But Uber has been expanding its service in select cities to include the controversial option to use the app to hail the nearest cab driven by a participating cabdriver. State and city regulators have been looking into the service, but Uber's position is that the company operates legally because it works with drivers who already have the proper licenses to carry commercial passengers.

The lawsuit, filed on behalf of [Leonid Goncharov](#) and [Mohammed Eddine](#), two drivers for Luxor Cabs, claims Uber is illegally skirting detailed taxi regulations set by the [California Public Utilities Commission](#) and the [San Francisco Municipal Transportation Agency](#).

The suit, filed Friday by Corte Madera attorney [Gary Oswald](#), claims that Uber has partnered with unauthorized "gypsy" drivers.

"Uber attempts to spin any criticism as 'anti-technology' and is willing to say whatever it needs to at any given moment to achieve Uber's economic goals," the suit said. "Simply stated, Uber's 'partner' drivers, who are operating without restriction, are taking passengers, and thus income, away from legally sanctioned taxicab drivers who are literally playing by the rules."