

**Terrell McSweeney, Commissioner**  
FEDERAL TRADE COMMISSION  
600 Pennsylvania Avenue, NW  
Washington, D.C. 20580

Federal Trade Commission  
Received

JUN 22 2017

Chairman

Re: Uber Technologies, Inc. - (illegal contract for labor)

Dear Commissioner McSweeney:

On July 2, 1890 the U.S. Congress declared every contract in restraint of trade or commerce among the Several states illegal under the Sherman Antitrust Act. *See* 26 Stat. 209.

Uber Technologies, Inc. (“Uber”) and Lyft, Inc. (“Lyft”) pay their drivers a share of each fare charged for providing transportation of individuals by a vehicle. Under Section 301(3) of Title III of the Americans with Disabilities Act of 1990 (“ADA”), the term “*demand responsive system*” means “any system of providing transportation of individuals by a vehicle, other than a system which is fixed route.” Therefore, *Uber* Drivers and *Lyft* Drivers are unmistakably operating in a “*demand responsive system*” as contemplated by the ADA. *See* 42 U.S.C. § 12181(3). Yet, *Uber* and *Lyft* do not classify U.S. drivers as employees. Instead, *Uber* and *Lyft* systematically classify U.S. drivers as “independent contractors” using non-negotiable adhesion contracts crafted to subject a class of U.S. transportation workers to suffer the deprivation of equal protection of rights enshrined in the Constitution and laws of the United States. *See* 22 U.S.C. §§ 7101(a) and 7102(9)(B) - (“a contemporary manifestation of slavery...through the use of force, fraud, or coercion”).

In this manner, *Uber* and *Lyft* have effectively fixed the price of U.S. driver wages at **\$0 per/hr** for purposes of the Fair Labor Standards Act of 1938, as amended (“FLSA”). *See* 52 Stat. 1060. According to the Antitrust Guidance for Human Resource Professionals jointly released October 2016 by the FTC and DOJ, “wage-fixing” agreements among employers are *per se* illegal under the antitrust laws.

The nationwide combination of *Uber/Lyft* contracts for labor offered to U.S. drivers to perform work, intended to benefit *Uber and Lyft* financially, appears to constitute an unfair method of competition and is therefore believed to violate Section 5 of the Federal Trade Commission Act. 38 Stat. 717. Further, it seems that these two (2) San Francisco, California based corporations have agreed not to classify any U.S. driver as an “employee” who would then be entitled to payment of *wages* pursuant to 29 U.S.C. § 206, as contemplated by Section 3(m) of the FLSA. *See* 29 C.F.R. § 531.35 - (“Free and clear” payment; “kickbacks”).

Under threat of “*serious harm*” arising out of the termination of the labor arrangements (which appear to be racially discriminatory), *Uber* effectively forces U.S. drivers to accept a May 22, 2017 Addendum to modify *Financial Terms* that many have been induced to become economically depend upon as a livelihood. The term “*serious harm*” is defined by the Victims of Trafficking and Violence Protection Act of 2000, as amended. *See* 18 U.S.C. § 1589(c)(2).

Issuance of cease and desist order is hereby sought pursuant to 15 U.S.C. § 45(b).

June 22, 2017

Respectfully requested,

  
STEVAN JOHNSON  
City of Boston  
Hackney Carriage Driver

RASIER, LLC

**ADDENDUM**

Last update: May 22, 2017

You entered into a Technology Services Agreement with Rasier, LLC or one of its affiliates ("**Company**", "**we**" or "**us**") for the use of the Uber Services in connection with your Transportation Services (as amended, the "**Agreement**"). This is an addendum to that Agreement that updates fare and payment terms and replaces Section 4 (Financial Terms) of the Agreement in its entirety. By clicking "Yes, I agree", you agree to be bound by the additional terms below.

Capitalized terms used herein but not defined shall have the meanings ascribed to them in the Agreement, and, for the purposes of this addendum, "**Ride**" shall have the same meaning as "Transportation Services" and "**Rider**" shall have the same meaning as "User". Except where modified above, the remainder of the Agreement shall remain unchanged. This addendum replaces and supersedes any "Service Fee Addendum" or "Service Fee Schedule" that you have previously agreed to.

**Section 4 of the Agreement is replaced in its entirety with the following:**

**4. Financial Terms**

**4.1 Fares.** You are entitled to a Fare for each Ride that you provide, where "**Fare**" is a base fare amount plus actual distance and/or time amounts (or as required by applicable law), provided that distance and/or time amounts may be predetermined in certain situations, such as for flat rate and minimum fare trips, or estimated where GPS information for that trip is unavailable. Fares vary by region (detailed at partners.uber.com), may vary depending on local supply and demand, and may also be adjusted in our discretion based on local market factors. We will provide you with notice of any change to any base fare or applicable distance and/or time amounts, as well as flat rate and minimum trip fares, and by continuing to use the Uber Services, you are deemed to accept these changes. The Fare does not include gratuity. Additionally, even though we often separately advertise and market the Uber Services and other products and services generally (including discounts or promotions to Riders that reduce what they ultimately pay for a Ride), this does not entitle you to any additional payment.

Unless we indicate to you otherwise, for each Ride, the Rider will pay an amount that includes the Fare, applicable Tolls, applicable fees retained by us, and applicable taxes and surcharges, as well as the Service Fee described in Paragraph 4.4 below (collectively, the "**Rider Payment**"). You appoint us as your disclosed limited payment collection agent solely to accept the Rider Payment from Riders via the Uber Services' payment processing functionality, and the Rider Payment to us (acting as your agent) is treated the same as if that Rider paid you directly for that Ride. The Rider Payment is the only payment that will be made to you by a Rider for a particular Ride. By accepting a Ride, you indicate your agreement to charge the Rider Payment at the amount recommended by us as your agent. The Fare portion of the Rider Payment shall operate as a default, but following completion of a Ride you are entitled to request to charge a lower Fare, and we will consider these requests in good faith. Your Fares and applicable Tolls will be remitted to you on at least a weekly basis. If you

have agreed to any other amounts being deducted from your Fares with any party (such as vehicle financing or lease payments, or mobile device charges), those amounts will be deducted before remittance to you, and we may determine the order of these other deductions if allowed by law.

If reasonable, we may adjust a particular Rider Payment (including the Fare portion) for reasons such as inefficient routes, failure to properly end a Ride or technical error on our Services. In more serious situations, such as fraud, charges for Rides that did not take place or Rider complaints, we may cancel or refund a Rider Payment entirely (including the Fare portion). If a Rider cancels their Ride prior to your arrival at the pick-up location, we may charge that Rider a cancellation fee on your behalf, and in this case the cancellation fee will be treated the same as a Rider Payment for completed Rides.

**4.2 Receipts.** The Uber Services provide you with a system for delivering receipts to your Riders. At the end of a Ride, the receipt will be electronically delivered to your Rider on your behalf. It includes a breakdown of amounts charged and certain information about you and that Ride (including your details and the route taken). If you think a correction should be made to the amounts charged, you must let us know in writing within 15 business days after the Ride took place or we will have no further responsibility and you waive your right to later dispute the amounts charged.

**4.3 Taxes.** You are required to follow applicable law regarding your tax registration, calculation and remittance obligations for your Rides and provide us with all relevant tax information. You are responsible for taxes on your own income. Based on applicable tax or regulatory considerations, we may choose in our reasonable discretion to collect and remit taxes applicable to your Rides, and may provide any of the relevant tax information you have given us directly to the applicable tax authorities on your behalf or otherwise. For the purpose of this section, references to "tax" includes federal and state income, gross receipts, sales and self-employment taxes, and similar charges.

**4.4 Our Service Fee.** In consideration of your use of the Uber Services, you will pay us a service fee ("**Service Fee**") that is on a per-Ride basis. For each Ride, the Service Fee equals the Rider Payment minus: (a) the Fare; (b) Tolls; (c) any other fees retained by us (*e.g.*, booking fee); and (d) applicable taxes and surcharges. In the event of a Ride where the Fare is greater than the Rider Payment (excluding fees retained by us, and taxes and surcharges), no Service Fee will be charged for that Ride. In such case, any excess amounts that you receive will be shown as an adjustment to your Service Fee(s) (or if necessary, as an adjustment to another payment owed to you).