

Labor and Public Employees Committee

JOINT FAVORABLE REPORT

Bill No.: HB-5470

AN ACT CONCERNING RIDESHARE AND DELIVERY DRIVER MINIMUM

Title: STANDARDS.

Vote Date: 3/21/2024

Vote Action: Joint Favorable Substitute

PH Date: 3/12/2024

File No.:

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SPONSORS OF BILL:

The Labor & Public Employees Committee

REASONS FOR BILL:

This bill would create a minimum pay standard for rideshare drivers and create minimum working condition standards and transparency. This bill would also require the CTDOT to reach an agreement with nearby states to allow CT drivers to pick up passengers in other states. This bill follows concerns from drivers that there is a lack of transparency on how the app work/pays them and decreasing wages in recent years. This bill would ensure that there is a minimum pay standard that drivers receive and ensure that drivers who work enough hours can make a living from doing so. Increasing transparency will ensure that ensure that drivers are being paid fairly and allow drivers to better understand why they are getting paid a certain amount. Finally, by directing the CTDOT to negotiate with nearby states, this bill will allow drivers to take return trips which would make it profitable for CT residents to take out-of-state driving jobs.

The substitute language strikes the minimum pay sections of the bill, and requires transportation network companies to provide detailed receipts to drivers and passengers, and retains the sections that require the Transportation Commissioner to establish reciprocity with nearby states.

RESPONSE FROM ADMINISTRATION/AGENCY:

Danté Bartolomeo, Commissioner, Department of Labor: Bartolomeo comments on the bill voicing his concerns about whether the CTDOL will have the resources to enforce the bill. Bartolomeo explains that section 2-6 requires the CTDOL to "set, update, and enforce minimum wage rates for drivers." This would be a burden on the CTDOL who is already has a

large backlog of cases. Section 7 allows workers to bring complaints to the CTDOL if the company deactivates their account in certain scenarios which requires a hearing and is another unfunded expense. Section 8 requires the CTDOL to create a registration system for companies to report wages and other relevant data and while the bill allows the CTDOL to charge a fee to recoup costs, the CTDOL is currently not equipped to create this system. Section 11 would establish an account known as the network company account however there are no funds set aside in the bill for the account. Bartolomeo emphasizes that the CTDOL does not have the resources to follow through with this bill and would be a significant financial burden to the CTDOL.

NATURE AND SOURCES OF SUPPORT:

James Bhandary-Alexander, Counsel, CT Drivers United: Bhandary voices his support of the bill stating that it would guarantee drivers higher pay, transparency, deactivation protection, and reciprocity.

Elvis Carranza, Driver, CT Drivers United: Carranza voices his support of the bill citing his experiences with driving apps over time. Carranza first discusses pay which over the years has dropped consistently to the point where he can no longer afford to care for his family. Second Carranza discusses lack of transparency and how rideshare companies are hiding how their pay is determined and makes it difficult for drivers to understand why they are getting paid a certain amount or whether they are being paid correctly. Finally, Carranza discusses reciprocity where CT drivers get jobs to drive people to other states but are unable to get any jobs for the way home leaving that time unpaid. This is very difficult for drivers who are not paid for the return trip and leaving a potentially long trip unpaid.

Seth Freeman, President, SEIU 1973: Freeman voices his support for the bill over concerns over the current lack of pay, transparency, reciprocity, and deactivation protection. Freeman believes that right now the lack of information that drivers have on both pay and deactivation is unfair and leaves drivers vulnerable. Additionally, the increasingly lower pay and lack of reciprocity makes it very difficult for drivers to sustain themselves and their families.

Sarah Ganong, State Director, Working Families Power: Ganong on behalf of Working Families Power voices their support for the bill citing the need for better minimum pay and transparency to allow drivers to better understand their wages.

Corey Geisman, Executive Director, SEIU State Council: Geisman voices his support of the bill citing the unusual power dynamic between drivers and rideshare apps, where drivers have no say on decreasing wages and no benefits. Geisman points out that drivers are not making enough to support their families and the decreasing wages are only making the situation worse. Adding transparency to how drivers are paid would add fairness and would allow both drivers and CT state officials to make sure they are properly paid.

Soledad Romero, Counsel, CT Drivers United: Romero on behalf of CDU voices their support for the bill stating that every year legislation protecting drivers is not passed the situation gets worse. The CDU first discusses pay stating that it needs to be adequate for people to live comfortably in CT. Pay increases for drivers has not increased prices in areas that have adopted them more than in areas that have not, such as NYC and Chicago where

Chicago who does not have a minimum pay standard rose more than NYC which does. Over the last few years drivers pay has been going down and without this bill this inequality will only worsen. The CDU also mentions transparency, where drivers' assignments and pay are assigned by an algorithm that is hidden taking away the benefits of independent contracting and leaving all the bargaining power in the hands of the corporation. The CDU then speaks on reciprocity and the difficulties drivers are having when going to other states for jobs and being unable to take a return job meaning the drivers take a net loss on the trip due to inconsistent regulation across states. The CDU finally mentions deactivation protections where drivers can have their accounts deactivate for arbitrary or unfair reasons with little recourse, which can strip a driver from their livelihood.

The following people voiced their general support of the bill:

An Anonymous Source

Marissa Cassel

Lateef Alston

Peter Fousek, Secretary Treasurer, CT Tenants Union

Timothy Gabriele, Unite-Here Local 34

Adam Gokce

Lynne Ide, Program Lead, Universal Health Care Foundation of CT

Alex Johnson

Constanza Segovia, Hartford Deportation Defense

Tonishia Signore, Policy Director, She Leads Justice

The following drivers voiced their general support of the bill, and many of them shared their personal experiences with rideshare/delivery apps and their difficulty making a living:

Hamza Karama, Driver, CT Drivers United

Stacy Lesperance, Driver, CT Drivers United

Ginger Jo Barreto, CT Drivers United

Joseph Adjei, Driver, CT Drivers United

Yunis Mumin, Driver, CT Drivers United

George Papageorge, Driver

Ray Phillips, Driver, CT Drivers United

Jesenia Rodriguez, Driver, CT Drivers United

Liranzo Sanchez, Uber/Lyft Driver

Michael Smith, Uber Driver

Eugenio Vilorio, Driver

Kevin Walsh, Driver

Shernelle Wilson, Driver, CT Drivers United

NATURE AND SOURCES OF OPPOSITION:

Jake Brown: Brown voices his opposition to the bill

Ben Dubow, Executive Director, Forge City Works: Dubow voices his opposition to the bill over concerns over how it would impact his workers and the food insecure individuals. Dubow first speaks for his job trainees who do not have access to reliable transportation, especially during late shifts and rely on rideshare apps to get home. Dubow is concerned that if the prices of rideshare apps rise his trainees and graduates will be unable to afford to participate in the program. Second Dubow is concerned with how this would impact food insecure individuals that rely on provided rides from a partnership between lyft and Forge City Works, if prices rise these may no longer be possible and these individuals will lose their access to fresh food. Finally, Dubow is concerned on how this will impact restaurants who rely on rideshare apps to deliver their food at reasonable margins.

Christina Kennedy, Government Relations Manager, DoorDash: Kennedy on behalf of DoorDash voices their opposition to the bill stating it would completely change the way that app base delivery functions and increase prices across the board. DoorDash states that under this bill dashers would make about 71\$ per hour which is significantly more than others of similar positions. Kennedy points to a Seattle bill that ensured that delivery workers be paid at least \$26.40 and hour which lowered the number of orders placed and ultimately lowered the wages of dashers due to a lack of jobs. DoorDash does not believe the regulation regarding miles driven should apply to delivery drivers in the same way that it does rideshare because of different expenses and mileage for the work. DoorDash is also concerned about privacy for dashers who could have their movement tracked by the state, consumers having their order information and location tracked, and merchants revealing to competitors their information which could damage companies. Finally, DoorDash believes that this would be a regressive tax on consumers, putting more expenses on lower income individuals without consistent access to transportation.

Bob Murdock, Executive Director, CT Convention & Sports Bureau: Murdock voices his opposition to the bill over concerns on how will increase the price of rides. Murdock believes that this bill would lower accessibility as rideshare would be less of an option for many, would

undermine reliability as drivers would no longer be incentivized to drive at certain times, lower safety as people leaving events would be disincentivized from rideshare and may instead choose to drive intoxicated, and would lower affordability in general.

Tim Phelan, President, CT Retail Network: Phelan voices his opposition to the bill over concerns about how rising prices could impact retail businesses in an already difficult time.

Hayley Prim, Senior Policy Manager, Uber Tech Inc.: Prim on behalf of Uber voices their opposition to the bill over concerns of how the bill will increase costs for both the company and customers. Uber believes that they are already offering sufficient information to drivers and couriers so they can make informed decisions about each job. Uber believes that with the increase in prices that CT residents will see their trip increase by about 134% per ride and will result in a large enough downturn in riders that wages may go down due to lack of jobs. Uber is also concerned about drivers potentially abusing the bill to reject jobs on multiple apps and still get reimbursed despite not working. Uber also believes that this price increase will damage small businesses that rely on uber for delivery and transportation. Uber supports the ability for drivers to take out of state jobs and notes that this only exists because of various regulations that exist in surrounding states but is concerned that the bill will not fix the issue and only hurt people in the state. Finally, Uber is concerned about the data collection portion of the bill and believes it should be revised to better protect consumer privacy.

Ashley Zane, Senior Public Policy Associate, CBIA: Zane on behalf of the CBIA voices their opposition to the bill citing the benefit that transportation network companies have had on CT's economy and drivers. The CBIA is concerned that if the business model is changed that the extra expenses will hurt price-sensitive passengers who lack transportation. The CBIA believes that transportation network companies use dynamic pricing to ensure reliability and safety for customers while making sure that drivers are paid fairly. Additionally, these pricing systems incentivize drivers to be available during period of high demand, which improves road safety as it prevents drunk driving. CBIA is also concerned that this will damage the state economy as app-based delivery is important for many local restaurants and small business. Finally, the CBIA has concerns about reporting as they believe that the state could use the data to surveil customers and workers.

Reported by: Noah Gulla

Date: 4/5/2024