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Transportation Committee Hearing – Monday, March 2, 2015

Support HB 6349 – An Act Concerning Ride-Sharing Companies and Drivers

Continue the regulation of for-hire transportation companies and oppose attempts to deregulate the taxicab and livery industry in Connecticut.

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My name is Michael Lindsey, and I have been a licensed livery operator through the Connecticut Department of Transportation for over 25 years. Unfortunately due to a business travel schedule I am unable to be there in person to testify. If there were any way possible to be there I would be, as this is a very important issue to me.

While I'm sure the committee has heard many things regarding this issue I believe that in many instances it has been made more complicated than it really is. My testimony is factual, concise, and strips away any cloudiness of this issue.

Ride-Sharing The Good, the Bad, and the Ugly Truth

The Good

As technology continues to improve, we see many aspects of society positively impacted. It can simplify facets of our life, make things easier, and increase our efficiencies in an ever-changing, time focused world. The so-called ride-sharing apps that have changed the transportation landscape are a good idea. They help to efficiently match up a supply of transportation providers with those people looking for that type of transportation.

But that is where it ends. Some would want you to believe that this new technology is so revolutionary that we should re-think the entire model of public transportation. They want you to think that technology trumps all common sense and previous experience. They use money and slick promotion to influence the minds of legislators and the public to think the technology is hip, cool, and new.

In reality these so-called ride-sharing apps are nothing more than a targeted advertising mechanism with a shopping cart – allowing the user to select the service they want and complete a transaction. And make no mistake; that transaction is still transportation for hire.

The Bad

Providing transportation from one location to another, and charging a fee for it, is transportation for hire. It's not ride-sharing unless the driver is going to same destination as the passenger, and for the same reason as the passenger. For example, sharing a ride to work with a co-worker is ridesharing. Making arrangements with a stranger to give you a ride to the airport and paying them for that service is transportation for hire – and the State of Connecticut has had laws on the books that originate from the 1930's to regulate such action in the best interest of the public. These laws are not complex, and have stood the test of time to positively protect the public. If I were to invent a new app that sold steaks, I highly doubt that the Food and Drug Administration would investigate and change the ways in which cattle are raised, processed, and sold.

Offering rides to the public in one's personal vehicle brings on a host of challenges and uncertainties. While you might like to think anyone performing such a task would do so in a safe vehicle, that is an assumption that I wouldn't make. Again, the State of Connecticut already has rules governing what is safe and what is required of a vehicle when transporting the public, and often times this requires special equipment and modifications to a vehicle to qualify. There is an inspection process in place, and it is extremely taxed and under-staffed. Any additions or modification of existing laws must take this into account and will require additional funds allocated to the Department of Transportation to facilitate the influx of vehicles should any changes be made.

Currently, there are need and necessity clauses within the law that require proof of need before a permit for transportation for hire is granted. This clause maintains a balance of supply and demand to protect the public. When supply exceeds demand for such a service expenses will be cut and shortcuts taken in order to maintain the business. I have witnessed firsthand companies in this position run without insurance and without performing the necessary maintenance on their vehicles.

A vehicle is not accountable, a vehicle does not drive itself, and the responsible party in any vehicle is the driver of that vehicle. Once again, the State of Connecticut already has laws that govern the licensing of those responsible for driving our public. They are subjected to both a state and federal background check, and they must submit to regular physical exams and maintain a benchmark of health. Anyone driving a vehicle for hire must be required to hold such a license endorsement.

The Ugly Truth

The legislators of Connecticut have an obligation to protect the public. The concept that is being sold here is nothing new, and all one has to do is Google the term "Uber Cases" to see a plethora of examples, outcomes, and true stories of cases around the country that have proven the perception of this idea does not equal the reality of what is happening.

The drivers of these vehicles are not independent contractors performing a service for the public, but rather employees of a company that provides them with equipment (a special phone), tells them how to dress, tells them how to act, and maintains feedback and ratings files that can result in the termination of a driver who does not perform to their standards. The definition of an independent contractor is fairly simple, the more control a company has over you the more you are their employee. If you obtain the majority of your income from the same source, you are their employee. An independent contractor model pays nothing into unemployment – the so-called ride-sharing model allows individuals to work for an out-of-state company and still tax the Connecticut Unemployment System by simply putting their phone account into another member of the

household's name. An independent contractor is not required to have Worker's Compensation Insurance. When injured on the job they will resort to state aid or another source of help when there is already a source in place – but they aren't participating.

If it walks like a duck, and acts like a duck – then its' a duck.

In Summary

The State of Connecticut doesn't have to re-invent the wheel when it comes to public transportation. For over 75 years the state has maintained a clear record with a minimal amount of incidents involving transportation for hire companies and the public in which they service.

Why would you risk that record knowing full well the outcome of deregulating the current laws or allowing someone to perform for hire transportation without abiding by the same exact laws that are currently in place?

The results and repercussions of allowing these so-called ride-sharing companies to operate without abiding by the same standards and regulations that are currently in place for such a service are frequently in the news and on the web.

The State of Connecticut needs to learn from the mistakes of other states, and the costs in terms of loss of life and lives that are changed permanently and forever by not recognizing that these apps are performing no different of a service than that of legal providers of public transportation are today – and as such, they need to be regulated in the exact same manner.