

Testimony Submitted By Suzanne Bates, Policy Director for the Yankee Institute for Public Policy to the Transportation Committee on HB 6349.

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The Yankee Institute for Public Policy is a Connecticut think tank that develops and advances policy solutions to promote a smart, limited government; fairness for taxpayers; and an open road to opportunity for all the people of our state.

I am here to testify on House Bill 6349. Because the bill does not stipulate what regulations it intends to place on the ride sharing industry, I cannot say whether we support or deny them.

I encourage the committee to apply as few regulations as it deems necessary to regulate this budding industry. Innovation is still occurring, and it is still very early in the development of the sharing economy. It is important for Connecticut that we do not stifle this innovation as it is occurring.

I am not here to speak out on behalf of any one company. The regulations on ride sharing should not be written to help or hurt any one company. It is important that this new marketplace remain open for competition and innovation. The fewer regulations you place on the industry now, while it is in its infancy, the more likely new businesses and business models will be able to develop and grow right here in Connecticut.

There are many benefits to ride sharing, including access to transportation in areas that are not well-serviced by the taxi industry, and part-time jobs for people who need them. You will also hear about supposed dangers, but studies show the dangers are relatively similar to other car services, and that this new industry does not pose a danger to consumers.

Other states and cities are in the process of regulating the ride sharing industry. Some are doing a good job, and others are putting protectionist policies in place. One good example is Massachusetts, where they are requiring that ride sharing drivers be over the age of 21, undergo background checks, and carry insurance. The state also requires ride-sharing companies, which it calls Transportation Network Companies, to be registered with the state, and to ensure safety checks of all vehicles.

Massachusetts chose to regulate minimally at first, and to study the issue further, while waiting to see how this new industry develops. This is a good model for how to move forward on this issue.