

**BEFORE THE LABOR AND PUBLIC EMPLOYEES COMMITTEE
CONNECTICUT GENERAL ASSEMBLY**

**IN OPPOSITION TO HB 5470 AN ACT
CONCERNING RIDESHARE AND
DELIVERY DRIVER MINIMUM
STANDARDS**

Public Hearing: March 12, 2024

**TESTIMONY OF HAYLEY PRIM, UBER TECHNOLOGIES, INC. AND ITS
AFFILIATES¹**

Since 2014, Uber has enabled affordable transportation alternatives to Connecticut residents and unique, flexible earnings opportunities for Connecticut drivers. Similarly, through the heights of the Covid-19 global pandemic, Uber’s food delivery platform, UberEats, allowed small businesses to withstand lockdowns and provided consistent earnings for couriers. If adopted, HB 5470 would fundamentally change the experience drivers, couriers, and consumers (riders and eaters) have through the Uber platform.

Drivers and couriers choose the earnings opportunities available through the Uber platform because of the flexibility to drive and deliver where and when they want—to maximize their earnings potential. Mandating an earnings standard that incorporates the higher of 85% of a “rider fare” or per-minute and per-mile rates would make Connecticut one of the most expensive, if not the most expensive market, in the Country. Importantly, guaranteeing drivers 85% of rider fares may make operating in the State untenable, given the high cost of insurance required by the state, payment processing, state-required background checks, and other costs the company bears.

Uber provides drivers and couriers with substantial information when offering them rideshare or delivery trips, including the amount they can expect to earn (including an estimated tip amount for delivery trips) and the distance before the trip/delivery is accepted so that they can make an informed decision about each job. Connecticut drivers earned an average of \$32.94 per utilized hour and spent an average of less than 18 hours per week on the Uber platform in Q4 2023.²

By implementing the proposed per-minute and per-mile standard, riders in Connecticut will see an average increase of 134% per trip. Such an extreme increase in rider price will negatively impact riders who rely on Uber for an affordable means of transportation and reduce the total number of trips available for drivers. This reduction in trip volume may ultimately result in an overall decrease in driver earnings. This bill also proposes mileage reimbursement for time when

¹ “Uber” herein refers to Rasier, LLC and Portier, LLC. Rasier, LLC is a licensed Transportation Network Company (“TNC”) as defined in 13b-116 of the general statutes. Portier, LLC is an online marketplace operating under the brand name “UberEats” that connects licensed merchants and food retail partners with prospective customers and independent delivery service providers who seek, receive, and fulfill requests for food delivery services. Rasier, LLC and Portier, LLC are wholly-owned subsidiaries of Uber Technologies, Inc.

² Utilized hour includes both on trip and en route time.

drivers are not actively working. Consequently, if a single worker logged into three different rideshare or delivery apps at once is driving around and rejecting trips, the bill would require reimbursement for those miles since the three apps open. Not only is this illogical, it would further increase the massive jump in prices consumers would see from pay rates alone.

HB 5470 appears to be modeled after the earnings standard established by the New York City Taxi and Limousine Commission (“TLC”) for High-Volume For-Hire Services. However, New York City drivers are professional drivers, not TNC drivers. In establishing the New York City rates, TLC was clear that the rates were to compensate drivers for the increased costs related to being a professional commercial driver, including commercial insurance and commercial licensing costs. Conversely, Uber provides Connecticut TNC drivers with insurance, and Connecticut’s TNC drivers are not full-time professional drivers. Moreover, the New York City time and distance rates apply only to the time drivers have a rider in the vehicle.

Restaurants on UberEats are critical to the local communities in which they operate, as well as to the success of our business. The platform helps consumers explore the merchant community and builds a greater consumer base for small and medium businesses by connecting consumers to new restaurants and menu items.

Many small businesses rely on Uber’s supply of couriers to maintain their delivery business and offset the costs of full-time couriers. HB 5470 will lead to negative outcomes, including increased consumer prices and reduced orders placed with merchants due to the increased costs.

Uber supports the ability for drivers and couriers to access earnings opportunities in New York, New Jersey, Massachusetts, and Rhode Island. The restrictions on Connecticut drivers today are based entirely on the various regulatory regimes in the surrounding jurisdictions. Uber advocated against an ‘in-state license’ requirement in New York and would welcome additional reciprocity. Still, by restricting access to earnings opportunities, HB 5470 does not penalize neighboring legislatures that established these restrictions; it only hurts people who rely on the opportunities provided on the Uber platform. What’s more, in Q4 2023, barely more than 4 percent of trips originating in Connecticut ended outside of Connecticut. Establishing restrictions outside the current TNC rules and regulations is an overcorrection for such a small percentage of trips. Alternatively, absent legal prohibitions on couriers, Uber permits Connecticut couriers to accept delivery requests across the region.

Uber values both accountability and compliance alongside individual privacy rights. However, the data collection requirements outlined in Section 8 of HB5470 are overly intrusive and need to be revised to protect consumer privacy. The per-trip and per-delivery data required is too detailed and could reveal customers' sensitive information, such as their habits, routines, and personal addresses. While the bill does require the Labor Department to protect personal information, the amount of data required is unreasonable and includes information that Uber doesn't maintain. Additionally, Transportation Network Companies are subject to the record retention laws found in section 13b-118 of the general statutes and audits conducted by the Connecticut Department of

Transportation. Requiring additional data and review of records here is unnecessary and duplicative.

This bill also contemplates adding additional fees onto all rideshare and delivery trips in the State to go toward the General Fund. By significantly increasing costs and adding another fee on top, rideshare and delivery service would no longer be affordable to the vast majority of consumers.

Uber welcomes the opportunity to meet with members of the Committee to discuss these issues and others and answer any questions that the members may have. Thank You.

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