



House Bill 305

Transportation Network Company Driver Pay

Representative Zack Fields, March 11, 2026
House Labor & Commerce Committee



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History of App-Based Rideshare in Alaska



- The 30th Legislature adopted HB 132 in 2017, which permitted the use of app-based ridesharing platforms in Alaska.
- AS 28.23.180: “Transportation network company means a corporation or other entity that uses a digital network to connect riders to drivers who provide prearranged rides.”



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- As of 2021, 16% of people in the U.S. have worked for a digital labor platform at least once.[1]
- Thirty-one percent of current or recent workers reported that this was their main source of income.[2]
- People most vulnerable to income insecurity are more likely to sign up for platform work.
 - 25% of people with lower incomes surveyed have worked for platforms.[3]

Many platform workers do not have the same freedoms that independent contractors are supposed to have, such as the freedom to negotiate basic aspects of their work, including how much they are paid. [4]

1 "The State of Gig Work in 2021," Pew Research Center, December 2021. <https://www.pewresearch.org/internet/2021/12/08/the-state-of-gig-work-in-2021/>

2 ibid

3 ibid

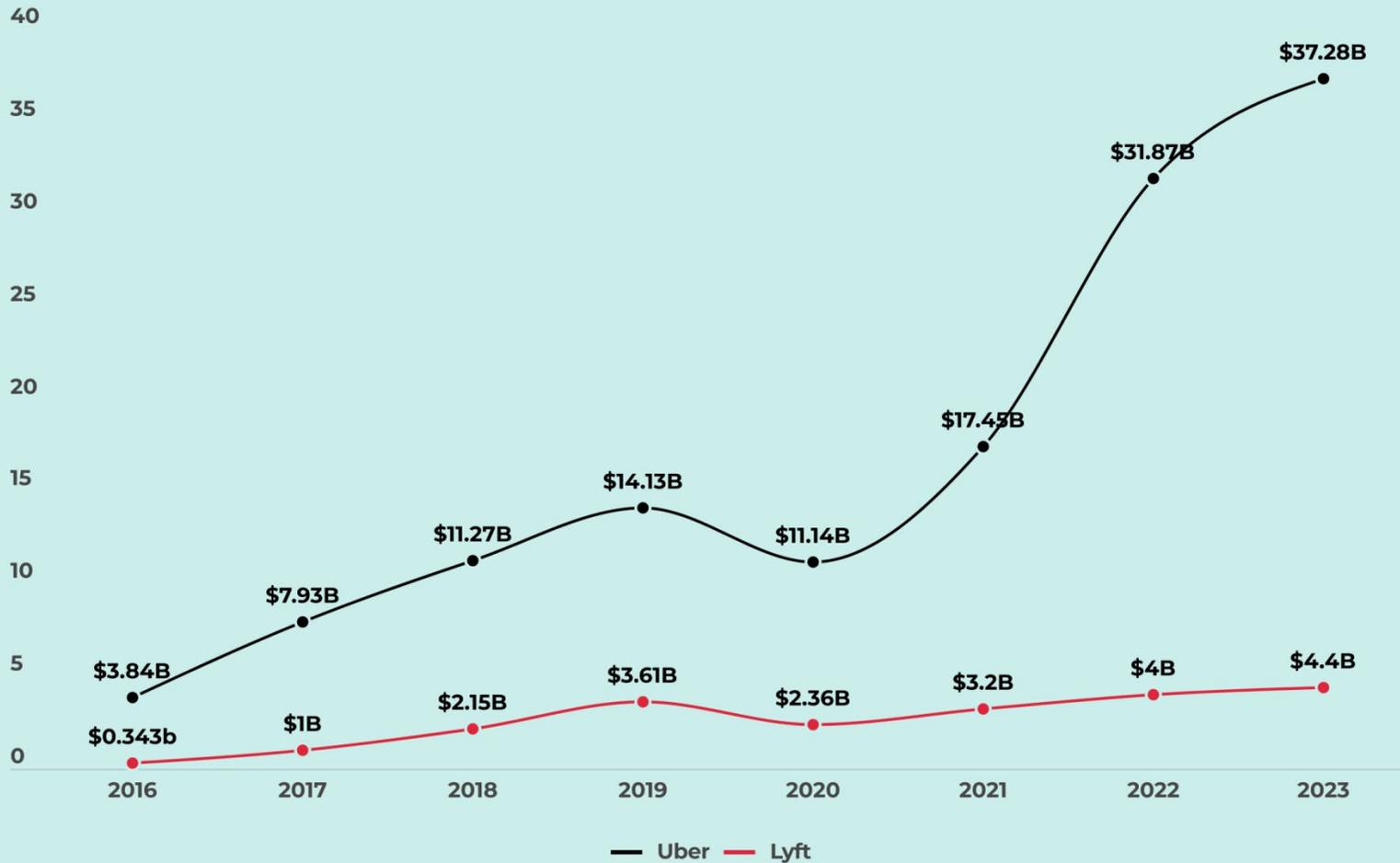
4 "The Gig Economy," Human Rights Watch, May 2025. https://www.hrw.org/sites/default/files/media_2025/05/us_gigeconomy0525web_0.pdf



Growth of a Sector

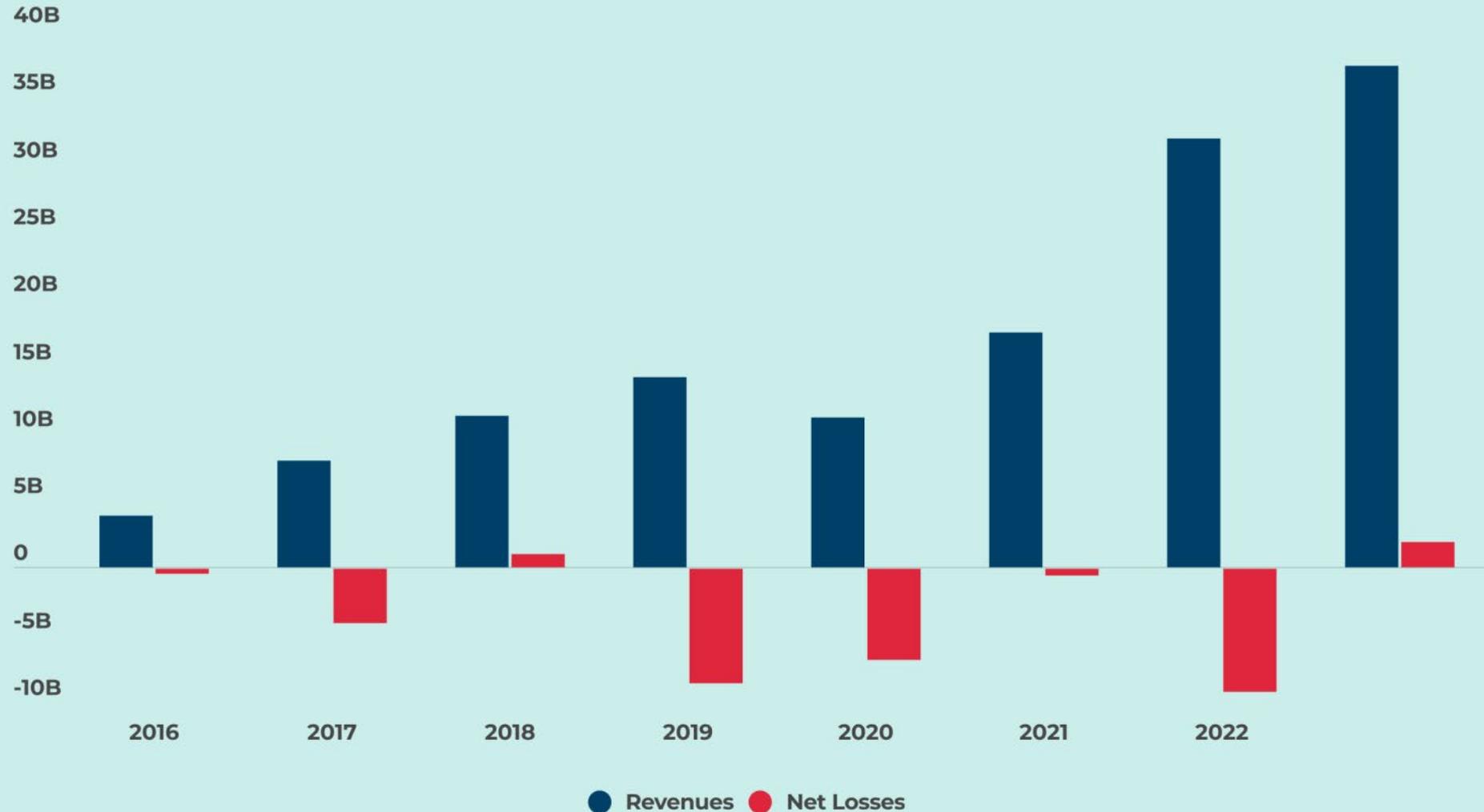


Uber vs. Lyft



Is Uber Profitable? Uber Profitability 2016-2023

For the first time in its history, in 2023, Uber became profitable, with nearly \$1.9 billion in net profits. Indeed on net revenues of over \$37 billion, Uber posted a net profit of \$1.88 billion, compared with a net loss of \$9.14 billion in 2022. In 2021, Uber posted a lower net loss (\$496 million), primarily thanks to the business divestitures of various assets. Throughout its history, on an annual basis, Uber has never made a profit except for 2023, when it finally reached profitability, thanks to a shifted focus toward operational efficiency.



Dec 31 2024	
Revenue	US\$43.978b /yr
Earnings	US\$9.856b /yr
Free Cash Flow	US\$6.895b /yr
Cash From Op	US\$7.137b /yr



NYSE:UBER Earnings and Revenue Growth February 8th 2025

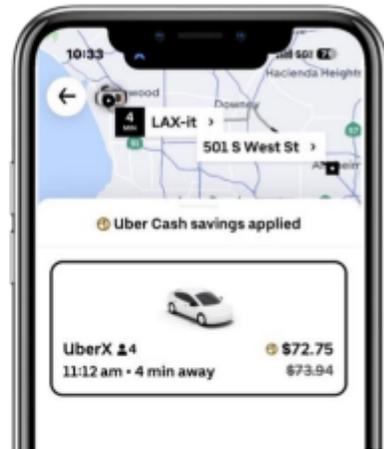
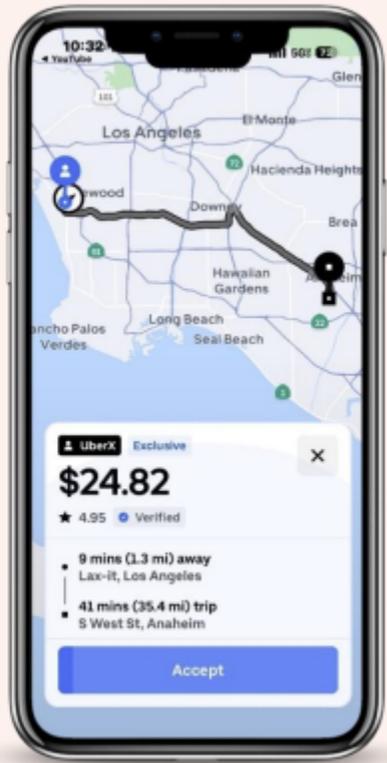
Of the average I was getting at the time, Allen, a 4.99-rated driver with more than 4,000 rides, said, "I just would like to have full transparency into how much Uber takes. They have a lot of overhead, so I'm OK with them taking a 25 percent cut, but I just want to know what the numbers are."



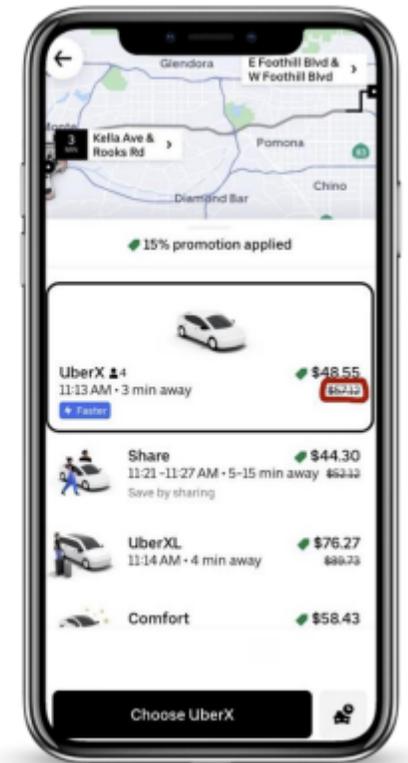
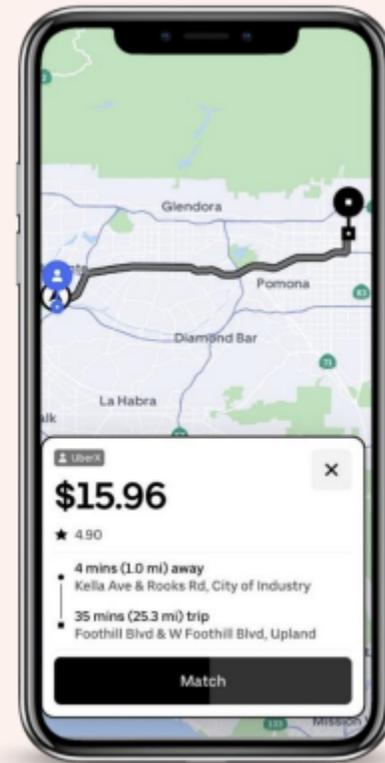
James Allen, a 4.99-rated Uber driver with more than 4,000 rides, poses for a picture. He said he's grateful for the work Uber provides but hopes to see more transparency about how much the company takes per trip. Mission Local found a discrepancy between what Uber tells drivers a customer pays and what customers actually pay. (Photo by David Mamaril Horowitz)

<u>Uber rider fare</u>	<u>Uber driver pay</u>	<u>Percentage Uber drivers kept</u>
\$9.55	\$4.12	43.14%
\$10.89	\$4.75	43.62%
\$17.16	\$7.54	43.94%
\$14.71	\$7.13	48.47%
\$10.31	\$5.58	54.12%
\$12.90	\$7.44	57.67%
\$19.76	\$12.33	62.40%
\$16.83	\$11.04	65.60%
\$20.11	\$14	69.62%
\$15.79	\$11.47	72.64%
		Average Uber drivers kept: 56%
		Median Uber drivers kept: 56%
<u>Lyft rider fare</u>	<u>Lyft driver pay</u>	<u>Percentage Lyft drivers kept</u>
\$28.82	\$9.40	32.62%
\$15.82	\$5.36	33.88%
\$11.83	\$4.38	37.02%
\$10.89	\$4.33	39.76%
\$26.94	\$11.03	40.94%
\$11.99	\$6.01	50.13%
\$14.84	\$7.78	52.43%
\$13.96	\$7.44	53.30%
\$13.99	\$9.19	65.69%
\$15.89	\$10.54	66.33%
		Average Lyft drivers kept: 47%
		Median Lyft drivers kept: 46%
		Total average between Uber and Lyft: 52%
		Total median between Uber and Lyft: 51%

These side-by-side comparisons of Uber trips show the stark difference in what passengers pay for a trip on the one hand, and what Uber pays the drivers in wages on the other. In the first, Uber is charging a passenger \$72.75 and paying the driver only \$24.82. That makes Uber's cut—or its "take rate"—66 percent, while it pays the driver a mere 34 percent.



The second shows Uber charging a passenger fare of \$48.55 (apparently reduced from a rate of \$57.12) but paying the driver only \$15.96. Without the 15 percent promotion applied to the trip, Uber would have taken a whopping 72 percent and paid the driver a mere 28 percent. And even with the "promotion," Uber's take rate is 67 percent, while the driver gets just 33 percent.



Informal surveys of drivers in Southcentral Alaska suggest a prevailing 'take rate' for Uber around 45% of the posted price for the ride

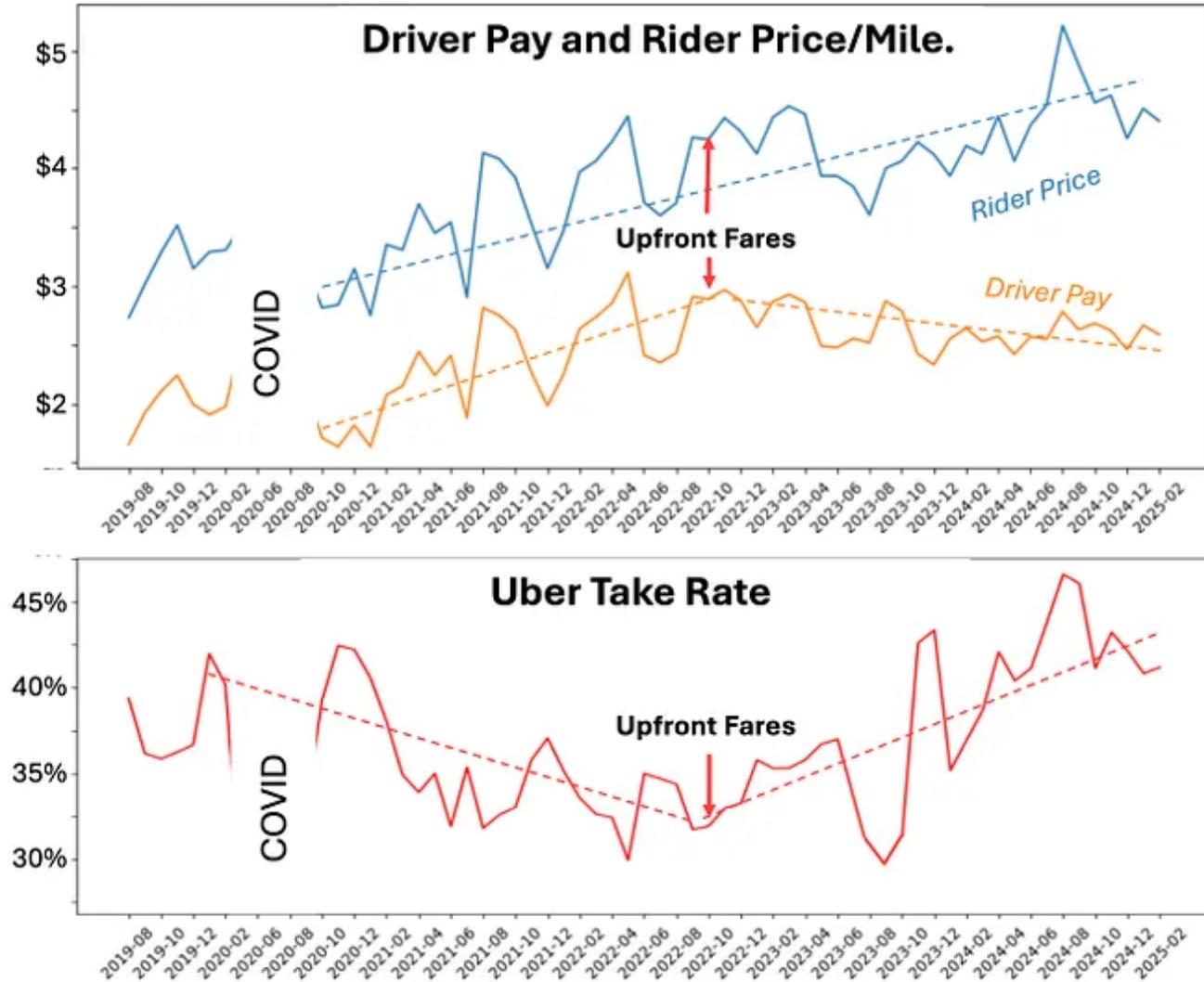
Image credit: Uber App

Anonymous Testimony from a Driver in Southcentral Alaska

- “I only recently started to drive for Uber again because my boss closed her business. I used to drive full time a few years ago, and I just do it part time while looking for work. They did not give you “upfront pricing” back then. The upfront pricing model seems like a way for Uber to swindle drivers. They say that it is for transparency, but it makes you less money in the end. It is nice in the sense that it shows you what you will be paid ahead of time, but it is less than what you would have normally been paid in the past. Uber does not allow for drivers to opt-out of “Upfront Pricing.” One would assume that you would be getting paid more, given inflation. **Because of this, I will no longer accept rides from Anchorage to the Valley. Before, I was never paid less than \$65 to drive someone to Wasilla.**”
- “When I first started driving in 2022, you could google the price that you would get paid out by Uber. It varied state-by-state, but Alaska would pay between \$1.12-1.18 per mile, and \$.18 per minute per ride. You could look up what you were paid out per trip in the app, but now it only shows an accumulative of all your rides in a week, so **you could never know what you were getting paid.**”
- **I am at the mercy of Uber because I need the income while I look for another job. I do not want to file for unemployment, so I deal with it.**”

Figure 3

Driver Pay, Price, and Take Rate Trends



These days, upfront pricing is standard in most parts of the US and many of Uber's international markets. The strategy may be the secret ingredient behind Uber's 300% stock rally over the past three years, a new study indicates.

Upfront pricing has been "enabling the company to raise rider fares and cut driver pay on billions of rideshare trips, systematically, selectively, and opaquely," Len Sherman, an executive in residence and adjunct professor at Columbia Business School, wrote in the report released Monday.

* Author of trip history analysis of a full-time Uber driver's 22,406 UberX trips in the same city (starting 8/26/2019)

5 "How Uber Became a Cash-Generating Machine by Len Sherman:

<https://len-sherman.medium.com/how-uber-became-a-cash-generating-machine-ef78e7a97230>



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- Rideshare and delivery companies control compensation while blocking workers from negotiating their pay. The platforms operating in Alaska rely on opaque algorithms that leave workers unable to understand how their wages are determined.
- In practice, what workers actually take home is largely dictated by AI systems that control the overall profitability of a ride, and how often a job is assigned to an individual.
 - These factors are based on whether they meet certain performance standards, like keeping customer ratings high, accepting enough job requests, or completing deliveries on time.

Offer Flow





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Questions?