



March 16, 2026

The Honorable Zack Fields
Co-Chair
House Committee on Labor and
Commerce
Room 24, State Capitol, 120 Fourth
Street
Juneau, AK 99801

The Honorable Carolyn Hall
Co-Chair
House Committee on Labor and
Commerce
Room 434, State Capitol, 120 Fourth
Street
Juneau, AK 99801

RE: Oppose HB 305 – An Act relating to compensation of transportation network company drivers

Dear Chair Fields, Chair Hall, and members of the Committee:

On behalf of Chamber of Progress, a tech industry coalition promoting technology's progressive future, **I respectfully urge you to oppose HB 305.**

HB 305 would require transportation network companies (TNCs) to pay drivers at least 90% of the fare charged to a rider, and would mandate additional compensation for certain long pickup and post-trip travel. The costs platforms are required to cover already consume a meaningful share of each fare, and HB 305 would force those costs (and core safety and operating functions) into the remaining 10%. **The predictable result would be higher fares for riders and fewer earning opportunities for drivers.**

We share the goal of fair, transparent driver compensation. But the experience of jurisdictions that have adopted rigid rideshare compensation mandates shows that blunt price controls can hurt the very people they are designed to protect, by raising prices, reducing trip demand, and shrinking driver opportunities.

HB 305's 90% fare mandate cannot cover legally mandated costs

The 90% requirement in HB 305 is not a cap on profit. It is a cap on the total amount platforms may retain to cover all operational and compliance costs, including insurance premiums, government-mandated taxes and fees, background checks, safety technology, customer support, payment processing, fraud prevention, and regulatory compliance.

HB 305's basic rule is straightforward: a TNC driver must receive at least 90% of the fare

charged by the company to the rider for a prearranged ride. **That means every cost of doing business must fit within the remaining 10% of the fare.**

The math does not work. Insurance and other mandatory costs alone can consume a substantial share of each fare, before a platform spends a dollar on background checks, safety technology, fraud prevention, or customer support. When required costs already approach or exceed the 10% ceiling, nothing is left to fund the operations that make rideshare possible.¹ Platforms would have to raise base fares so that 10% of a higher number generates enough revenue to cover these fixed costs. **The mandate does not protect riders or drivers; it forces higher prices.**

HB 305 adds additional mandates that further increase costs

HB 305 also mandates extra compensation if a driver travels over 10 miles from accepting a ride to picking up the rider. In such cases, the company must pay the driver for distance at the IRS mileage rate and for time at least equal to Alaska's minimum wage. HB 305 similarly requires compensation for the return trip to the original pickup location or to the next ride's location if it's more than 10 miles away. Additionally, tips cannot be counted toward this compensation.

While these provisions may be well-intentioned, they exacerbate the bill's main issue: they impose new cost floors on top of a strict 90% fare mandate. **This increases pressure to raise fares and incentivizes reducing coverage for trips that are less economically feasible, especially those involving long pickups common in rural areas.**

Seattle adopted similar regulations, and fares rose sharply

While Seattle's Fare Share ordinance used per-mile and per-minute minimums rather than a percentage cap, the economic dynamic is the same: both require platforms to guarantee a minimum driver payment per trip that exceeds what current fare levels can sustain, leaving fare increases as the only path to compliance.

After Seattle passed the Fare Share ordinance in 2020, Uber raised prices 24% on January 1, 2021, with projections of increases up to 50% as the compensation requirements were fully phased in.² Overall, fares jumped more than 40%.³ On specific routes, the increases were steeper: the average trip from Ballard to Belltown cost just

¹ Uber Under the Hood. "Understanding Uber's Share of Driver Earnings." *Medium*, Jan. 27, 2026.

<https://medium.com/uber-under-the-hood/understanding-ubwere-ers-share-of-driver-earnings-899d5eb733bd>

² Michelle Baruchman. "Uber will charge significantly more per trip as new Seattle law goes into effect Jan. 1." *The Seattle Times*, Dec. 30, 2020.

<https://www.seattletimes.com/seattle-news/transportation/embargoed-uber-raising-its-prices-starting-jan-1/>

³ Uber Under the Hood. "The Impact of Seattle's Driver and Courier Pay Regulations." *Medium*, Feb. 22, 2024.

<https://medium.com/uber-under-the-hood/the-impact-of-seattles-driver-and-courier-pay-regulations-30fdc817e65c>

under \$14 in the third quarter of 2019; by the third quarter of 2025, it had climbed to over \$31, a 120% increase that far outstripped inflation.⁴

Five years later, Seattle is the most expensive rideshare market in the country. A 30-minute Uber ride there now averages \$60, \$9 more than the next most expensive city.⁵ Washington state overall has the highest average Uber prices of any state.⁶

Those price increases fall hardest on the riders who rely on consistent rideshare costs to fall with their budget. In Alaska, rideshare is not a luxury for many residents. Working families, shift workers, seniors, and residents of rural and suburban communities with limited transit depend on it to reach jobs, medical appointments, and grocery stores.

Alaska has a rapidly growing aging population, with the 65-and-older population more than doubling from 2010 to 2024.⁷ As more Alaskans age out of driving, affordable rideshare becomes a lifeline. HB 305 would price these riders out of a service they increasingly depend on.

Fewer trips mean lower earnings for Alaskan drivers

Retaining a higher percentage of each fare means nothing if there are far fewer fares. Higher prices suppress demand, leaving drivers spending more time waiting between rides and net earnings declining.

That pattern played out in Seattle. Three years after the Fare Share ordinance took effect, drivers' earnings per online hour fell to some of the lowest of any market in the country, a reversal from the above-average earnings drivers had before the regulation.⁸

Trip volume in the Seattle market has lagged the rest of the nation, with trips down more than 50% relative to other large markets.⁹

HB 305 also threatens the flexible earning model that makes rideshare work for drivers. If the cap forces platforms to shift toward commercially licensed, self-insured drivers, casual and part-time drivers would be pushed out. 86% of drivers say they chose app-based driving for schedule flexibility, and the same share say they could no longer

⁴ Uber Under the Hood. "Seattle's Ridesharing Laws Don't Work for Anyone." *Medium*, Dec. 4, 2025.

<https://medium.com/uber-under-the-hood/seattles-ridesharing-laws-dont-work-for-anyone>

⁵ NetCredit. "The Price and Affordability of Uber Across America in 2025."

<https://www.netcredit.com/blog/how-much-does-a-30-minute-uber-cost/>

⁶ "Study determines Washington has the highest Uber prices in the country." *The Columbian*, Jun. 19, 2025.

<https://www.columbian.com/news/2025/jun/19/study-determines-washington-has-the-highest-uber-prices-in-the-country/>

⁷ Alaska Commission on Aging. *Senior Snapshot 2024*. Alaska Commission on Aging, Feb., 2025.

https://health.alaska.gov/media/xa0nwivh/2024_acoa-seniorsnapshot.pdf

⁸ Uber Under the Hood. "The Impact of Seattle's Driver and Courier Pay Regulations." *Medium*, Feb. 22, 2024.

<https://medium.com/uber-under-the-hood/the-impact-of-seattles-driver-and-courier-pay-regulations-30fdc817e65c>

⁹ *Ibid.*

drive without it.¹⁰ Nationwide, 69% of app-based workers say the work helped them make money in an emergency, and 63% say it helped cover rising costs.¹¹ These are the workers HB 305 would harm most.

A rigid cap will reduce service in underserved and rural communities

Platforms currently use dynamic pricing and incentives to sustain coverage across geography and time, helping ensure service for rural trips, off-peak rides, and communities that are harder to serve. A flat 90% mandate, combined with additional deadhead compensation requirements, reduces that flexibility and makes many trips economically unviable.

The likely outcome is that platforms concentrate service in the highest-demand corridors and pull back from lower-density communities, seasonal areas outside peak demand, and places with limited transit. Alaska's geography makes this risk especially serious: communities without meaningful public transportation have fewer alternatives if rideshare becomes unavailable or unaffordable.

For these reasons, we urge the Committee to **oppose HB 305**. We support the goal of fair driver compensation, but this bill would **raise prices for the riders who can least afford it, reduce earnings opportunities for the drivers it aims to help, and cut off the communities that need rideshare most.**

Sincerely,



Robert Singleton
Senior Director of Policy and Public Affairs, California and US West

¹⁰ Benenson Strategy Group and GS Strategy Group. "Findings from our recent survey of likely 2020 Voters and app-based Drivers." Aug. 25, 2020. <https://www.uber.com/newsroom/driver-poll/>

¹¹ Flex Association. *U.S. App-Based Rideshare and Delivery: Economic Impact Report*, 2024. <https://www.flexassociation.org/wp-content/uploads/2024/03/Flex-Economic-Impact-Report-2024.pdf>