



May 1, 2026 House Labor & Commerce Committee Opposition to SB 35

Co-Chair Fields, Co-Chair Hall, and Members of the Committee:

Thank you for the opportunity to testify on SB 35. My name is Francisco Avalos and I am the Senior Public Policy Manager for Lyft, a transportation network company (TNC) operating in Alaska. Lyft respectfully opposes SB 35 as currently drafted.

Lyft supports the core purpose of this bill - providing a clear independent contractor framework for workers on digital platforms. That is good policy and we appreciate the attention given by the legislature to worker flexibility. Our opposition is specific to the insurance provisions added by amendment, specifically the \$1 million UM/UIM mandate.

The amended bill requires TNCs to carry \$1 million in UM/UIM coverage and prohibits any waiver of that requirement only for TNCs. UM/UIM coverage only applies when a driver outside of our platform causes an accident. Our internal analysis indicates this mandate would increase the insurance cost of each ride by over 50%. That cost does not disappear - it is passed to riders in the form of higher fares. For Alaskans who rely on rideshare as their primary form of transportation, this bill makes an essential service materially less accessible.

When fares rise, ride volume falls. When ride volume falls, driver earnings follow. Alaska drivers value the flexibility and earning opportunity the platform provides. A mandate that suppresses demand does not protect drivers, it reduces their income. In a smaller market like Alaska, that dynamic is particularly pronounced.

TNC drivers already operate under robust insurance requirements under Alaska law including \$1m in third-party liability coverage when drivers are en route to pick up passengers or during rides. SB 35 layers on an additional, duplicative mandate and notably, the bill already includes occupational accident insurance requirements that are intended to cover driver injuries. The UM/UIM provision is unnecessary on top of that.

Lyft asks the committee to remove the \$1 million UM/UIM provision from SB 35. We are supportive of the independent contractor certainty framework and are committed to working constructively with the sponsor and the committee on a version of this bill that works for drivers, riders, and the platforms that serve them.

Thank you for your consideration.

Francisco Avalos

Senior Public Policy Manager, Lyft