



**GENERAL
TEAMSTERS
LOCAL 959
STATE OF ALASKA**

Affiliated with the International Brotherhood of Teamsters
Rick Boyles, Secretary-Treasurer
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February 21, 2017

Honorable Louise Stutes, Co-chair
Honorable Adam Wool, Co-chair
House Transportation Committee
State Capitol
Juneau, AK 99801

RE: House Bill 132- Transportation Network Companies and Drivers

Dear Representatives Stutes and Wool:

After reviewing HB 132, legislation that creates a foundation allowing Transportation Network Companies (TNC) and their drivers to operate in the state of Alaska, we want to go on record opposed to the bill in its current form.

Teamsters Local 959 is a statewide union and we represent workers in almost every industry in over 250 different classifications such as truck drivers, airline pilots, engineers, land surveyors, miners, telecommunication, nurses, bus drivers, construction workers, etc. As such, protecting workers, worker rights and benefits, is our job. We work with our employers to assure our members have health benefits, pension, safe work environment, and are treated with dignity and respect.

The Teamsters believe it is important to protect all worker rights whether it is safety on the job through OSHA, nurses overtime legislation, overtime laws and Workers' Compensation, to list a few. No worker plans to be injured on the job, but if they are the employee and their family should be protected. Reviewing many cases in the lower 48, and having spoken with some of the Uber drivers in Washington State, it seems these drivers should be considered employees of the company. When Uber operated out of Anchorage for a brief period of time, the Department of Labor & Workforce Development found their drivers were employees and fined them for not paying Workers' Compensation. Uber paid the fine but then stopped operating in Anchorage. It has been stated by some that taxi cab drivers are exempt from AS 23.30.230(a) and therefore the TNC drivers should be also. We would point out that under the statute not all taxi cab drivers are exempt and the communities around the state are able to set their own regulations depending on the needs. With respect to insurance Uber provides insurance for the customer and they also have control over all the rules and regulations that govern the drivers. That is not the case with a taxi driver.

In the city of Seattle the drivers are organizing and it was not without a battle. Their company spent millions of dollars fighting the proposed legislation and is now challenging it in court. Some of the complaints from the drivers included reduced hours,

inability to earn a living wage (pay cut by 15%), unfair terminations (app would be disabled if drivers spoke out), insurance pooling, company required expensive car upgrades, and fairness and respect issues; all of which are common employee issues.

In summary, HB 132 should recognize drivers of any TNC as an employee not an independent contractor. It is a special carve out for TNC's that sets bad public policy for workers in our state. The bill:

- Significantly diminishes the established criteria used by the State of Alaska to determine whether an individual is an employee or independent contractor, specifically the ABC test AS 23.20.525(a)(8)(A-C);
- Creates an unfair advantage for TNC companies;
- Allows an industry to write its own workplace standards as opposed to requiring compliance with established standards that equitably balances the rights between both workers and employers;
- Diminishes the revenue the state will see from Employer contributions for unemployment insurance and Workers' Compensation;
- Weakens the definition of what constitutes an "employee" for certain companies, opening the door for "Worker Misclassification" issues and allow bad actors into the industry;
- Deprives workers of a minimum hourly wage;
- Allows TNC's, some worth over \$39 billion, to void all worker protections and pay little towards our state economy.

On behalf of working people in our state, especially those who are unrepresented, we ask that the existing work rules be enforced. These rules are intended to protect workers and important state programs. We ask that HB 132 be amended to protect workers, especially the drivers for these TNC's.

Your time and consideration of this matter is greatly appreciated.

Sincerely,

TEAMSTERS LOCAL 959



Rick Boyles
Secretary-Treasurer

Copy: Representatives Claman, Drummond, C.Kopp, Neuman and Sullivan-Leonard