

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

February 2, 2017

1:30 p.m.

MEMBERS PRESENT

Senator Mia Costello, Chair
Senator Shelley Hughes, Vice Chair
Senator Kevin Meyer
Senator Gary Stevens
Senator Berta Gardner

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 14

"An Act relating to transportation network companies and transportation network company drivers."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 14

SHORT TITLE: TRANSPORTATION NETWORK COMPANIES

SPONSOR(s): SENATOR(s) COSTELLO

01/09/17	(S)	PREFILE RELEASED 1/9/17
01/18/17	(S)	READ THE FIRST TIME - REFERRALS
01/18/17	(S)	L&C, FIN
02/02/17	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

WESTON EILER, Staff
Senator Mia Costello

POSITION STATEMENT: Presented a sectional analysis of SB 14.

NANCY ALLRED, Senior Regulatory Counsel
Uber Technologies Inc.

POSITION STATEMENT: Testified in support of SB 14.

MITCHEL MATTHEWS, Senior Operations Manager
Uber in the Northwest

POSITION STATEMENT: Testified in support of SB 14.

MARIE MARX, Director
Division of Workers' Compensation
Department of Labor and Workforce Development
Juneau, Alaska

POSITION STATEMENT: Answered questions related to SB 14.

FRED PARADY, Deputy Commissioner
Department of Commerce, Community and Economic Development
Juneau, Alaska

POSITION STATEMENT: Testified that DCCED's concern with SB 14 is the unresolved question of coverage under personal and commercial automobile insurance.

NIKKI ROSE, representing herself
Sand Lake, Alaska

POSITION STATEMENT: Testified in support of SB 14.

RYAN KENNEDY, representing himself
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 14.

WILLIAM WEATHERBY, representing himself
King Salmon, Alaska

POSITION STATEMENT: Testified in support of B 14.

STAN ECKMAN, Yellow Cab
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 14.

KEVIN RUSTON, representing himself
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 14.

RYAN MCKEE, representing himself
Wasilla, Alaska

POSITION STATEMENT: Testified in support of SB 14.

DAVE O'MALLEY, representing himself
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 14.

BRONSON FRYE representing himself
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 14.

ERIC GRANT representing himself
Seattle, Washington

POSITION STATEMENT: Testified in support of SB 14.

MAURICE BROWN, representing herself
Seattle, Washington

POSITION STATEMENT: Testified in support of SB 14.

KELSEY PULZZINSKI, representing herself, Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 14.

JIM BRENNAN, Attorney
representing elements of the taxicab industry
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 14 and questioned the fairness of the public testimony process in the context of the bill.

ROSS BIELING, representing himself
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 14.

JEREMY PRICE, State Director, Americans for Prosperity
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 14.

BETH GOLDMAN, representing herself
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 14.

MARISA FREEMAN, representing herself
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 14.

ACTION NARRATIVE

[1:30:08 PM](#)

CHAIR MIA COSTELLO called the Senate Labor and Commerce Standing Committee meeting to order at 1:30 p.m. Present at the call to order were Senators Gardner, Meyer, Hughes, Stevens and Chair Costello.

SB 14-TRANSPORTATION NETWORK COMPANIES

[1:30:42 PM](#)

CHAIR COSTELLO announced the consideration of SB 14. She noted that she and Senator MacKinnon are sponsors.

[1:31:03 PM](#)

SENATOR ANNA MACKINNON, Alaska State Legislature* cosponsor of SB 14, stated that she represents one of the many communities in the state that has been disadvantaged by unmet transportation needs. She opined that including transportation network companies within state statute will provide needed transportation and work opportunities. She said that for more than 25 years the residents of Eagle River and Chugiak have tried to access traditional means of transportation, but it hasn't worked out. The bus route from the Municipality of Anchorage to these communities is always the first to be cut and it is not economically advantageous for taxicab drivers to provide service to and from this area. Efforts by the Anchorage Assembly to institute a chauffeur license to provide rides to and from the communities of Eagle River, Chugiak and Peters Creek and the airport hasn't worked out either. She opined that many communities statewide are similarly underserved.

She stated that SB 14 provides job opportunities for single parents and people in transition, which offers an opportunity for economic growth. Allowing transportation network companies could also reduce commuters on the highway and increase safety and reliability for riders. She shared that her experience using rideshare companies has been positive. "It was very nice, it was on time and there was a feeling of safety available for those who were accessing the ride because you were in control of that opportunity." She noted the letter of support in the packets from the Chugiak-Eagle River Chamber of Commerce.

[1:36:05 PM](#)

At ease

[1:38:07 PM](#)

CHAIR COSTELLO reconvened the meeting and pointed out that SB 14 is in context with the economic presentations the committee has heard this session. This includes the need for diversification, the need for more jobs during the recession, and the need to expand opportunities for people to make a living. She cited a recent survey by the Department of Commerce, Community and Economic Development (DCCED) that found that Alaskans believe that economic development is the overwhelming factor in making Alaska a better place to live. She opined that allowing ride-

share companies in Alaska will move the economy forward through innovation.

She stated her intention to hear the bill, take members' questions, take public testimony, and hold the bill in committee for further review.

[1:39:57 PM](#)

WESTON EILER, Staff, Senator Mia Costello, provided introductory comments on SB 14, paraphrasing the following sponsor statement:

Senate Bill 14, the *Let's Ride Alaska Act*, improves transportation and economic opportunity through innovation. The bill provides clarity in state law to allow for Rideshare companies to operate in Alaska.

Rideshare (sometimes known as "Transportation Network Companies") is a relatively new concept with a simple premise - use technology to connect Alaskans, helping get from here to there. During the past decade companies like Uber, Lyft, and Sidecar have revolutionized how people travel in cities worldwide. Using a simple smart phone application, these companies have created a platform that connects private drivers with people looking for a ride. The result is quick, cashless transportation solutions. Drivers and riders self-select each other through the app, make their trip, and digitally rate their experience.

Senate Bill 14 authorizes their use in Alaska by providing clarity to Alaska's insurance and workers compensation statutes. Rideshare drivers are classified as independent contractors and are exempted from workers' compensation similar to taxi drivers. The bill also requires safety background checks, zero tolerance substance policies, and numerous other safeguards.

Diversification is key to growing our state's economy. Enabling Rideshare through Senate Bill 14 is an innovative way to create jobs for Alaskans and improve transportation and public safety in our state.

[1:43:11 PM](#)

He highlighted that Uber previously operated in Anchorage, providing a flexible work platform for independent contractors

who average less than 10 hours driving per week. He related that transportation network companies have also been shown to increase public safety through reduced DUI and DWI convictions. He reviewed the safety standards that transportation network companies provide including accreditation through the National Association of Professional Background Screeners. He noted that an Uber representative would demonstrate the insurance coverage for both the driver and passenger.

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MR. EILER reviewed the following sectional analysis for SB 14:

Section 1. Describes the legislative intent for the bill.

Section 2. Amends AS 21.96 by adding a new section, AS 21.96.018, relating to transportation network company insurance provisions. This section allows insurers who write automobile insurance in the state to exclude coverage while a driver provides a prearranged ride. However, nothing in the section precludes an insurer from providing coverage for the personal vehicle of a transportation network company driver.

Section 3. Amends AS 23.30.230(a) to exclude transportation network company drivers from the Alaska Worker's Compensation Act.

Section 4. Amends AS 23.30.230(c) by adding the definitions for "digital network," "prearranged ride," "transportation network company," and "transportation network company driver."

Section 5. Amends AS 28 by adding chapter 23, titled "Transportation Network Companies and Driver."

AS 28.23.010 - Provides that a transportation network company or driver may not provide taxicab or for-hire services and that they may not be required to register as a commercial or for-hire vehicle.

AS 28.23.020. Requires that transportation network companies comply with AS 43.70 and maintain an agent.

AS 28.230.030. Relates to fares collected by transportation network companies for services.

AS 28.23.040. Governs identification required for by transportation network vehicles and drivers.

As 28.23.050. Requires electronic receipts.

AS 28.23.060. Sets insurance requirements for transportation network companies and drivers.

AS 28.23.070. Requires transportation network companies to provide automobile insurance disclosures to drivers.

AS 28.23.080. Provides that transportation network companies are not employers and that drivers are independent contractors, not employees.

AS 28.23.090. Requires implementation of a zero tolerance drug and alcohol policy.

AS 28.23.100. Sets transportation network company driver requirements.

AS 28.23.110. Relates to mandatory rules and policies governing nondiscrimination and accessibility.

AS 28.23.120. Provides for maintenance of records.

AS 28.23.180. Provides for definitions for the chapter.

AS 28.23.190. States that the short title of the chapter may be cited as the "Transportation Network Companies Act."

CHAIR COSTELLO noted who was on line to respond to questions.

[1:52:28 PM](#)

SENATOR STEVENS asked for clarification of the statement that rideshare companies will create more jobs and improve the economy. "Does it really create more jobs if you're taking jobs away from somebody and giving them to somebody else? Does it really improve the economy if you're taking money away from a cab and giving it to Uber?"

MR. EILER said a study in Portland looked at the effect rideshare companies have on the cab industry and it showed that they grew the pie. He offered to provide that study and other information that looks at the cause and effect of having rideshare companies introduced into an economy.

SENATOR STEVENS said he looks forward to receiving the information.

CHAIR COSTELLO offered her understanding that being a driver for a rideshare company is one of the few jobs that an active duty military person can hold.

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SENATOR MEYER asked how this bill differs from the one that was introduced several years ago.

MR. EILER replied the current bill contains model language and strikes the right nexus for insurance companies to define these drivers as independent contractors. He described this as a growing model that is creating more solutions. "You're seeing it start to compliment even some of the reforms that Anchorage is doing with its own taxi market," he said.

SENATOR MEYER said he doesn't recall that taxicab drivers complained that they were losing business when Uber conducted a trial program in Anchorage, but he did receive calls asking what happened to Uber when it no longer operated in the state. He asked for an explanation.

MR. EILER explained that Uber arrived in Anchorage in September 2014 and ultimately decided to pause operations until state laws were amended to clarify the issues of workers' compensation and insurance. SB 14 was introduced to provide that clarity for state and local governments and the industry.

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SENATOR GARDNER referred to the description of need that Senator MacKinnon articulated and asked if an Uber driver can refuse to pick up a fare between the Mat-Su Valley and downtown Anchorage or the airport.

MR. EILER deferred the question to an Uber representative. Speaking to the statement of need, he explained that a taxicab driver would have to deadhead back to Anchorage to resume commerce if he/she agreed to take a fare to Chugiak, whereas the rideshare model would allow a passenger to connect with someone who is commuting to or from Anchorage and Chugiak. That's a benefit of this model, he said.

SENATOR GARDNER said she'd like to hear Uber discuss whether a driver can decline a fare or not. She offered her perspective that the remaining issue is workers' compensation and unemployment insurance. She asked for some discussion from the Department of Labor or the sponsor about what distinguishes an independent contractor from an employee, absent defining it in statute.

[2:03:08 PM](#)

MR. EILER said the concept of SB 14 is that rideshare drivers are independent contractors in that they operate their own

vehicles, work on their own time, and may work for one or more companies. The only direction they take from the rideshare company is to meet their standards for safety and customer service. He explained that these are technology companies that provided the platform to connect a driver and a rider. At the end of the fare, 80 percent goes to the driver and 20 percent to the rideshare company as a technology fee.

SENATOR GARDNER pointed out that the price of the ride is set by the rideshare company and it can fluctuate depending on need and time of day.

MR. EILER deferred the discussion about pricing to Uber.

[2:05:01 PM](#)

SENATOR HUGHES shared her personal experience using both Lyft and Uber and opined that SB 14 will help people in the Mat-Su Valley get to and from the airport and will be a cost savings. She offered her perspective that these drivers won't be sitting and waiting for a fare. Rather, it will be someone headed to Costco, to a job, or to the Fifth Avenue mall. Her experience is that drivers typically have another job and they drive less than ten hours a week. She pointed out that the need for this platform is growing and stated agreement with the statement that allowing rideshare companies will grow the pie.

She asked if drivers could carry their proof of insurance coverage in electronic form. She noted she supports that option.

MR. EILER deferred the question to legislative legal services.

SENATOR GARDNER added that an electronic form would be more likely to be up to date.

MR. EILER said the industry supports digitized information.

[2:09:33 PM](#)

At ease

[2:11:07 PM](#)

CHAIR COSTELLO reconvened the meeting.

[2:11:21 PM](#)

NANCY ALLRED, Senior Regulatory Counsel, Uber Technologies Inc., explained that Uber is a technology company that digitally connects drivers with riders. The independent contractor drivers value the flexibility the platform provides; some 80 percent

give that as the reason they work for Uber. She reviewed the history of the company that was founded in 2009. It currently operates in 47 states and 541 cities worldwide.

She said she is speaking in support of SB 14. It provides appropriate safeguards for consumers and provides predictability to launch their product in Alaska. It includes insurance language that has been adopted in over 40 states and has been approved by the National Conference of Insurance Legislators (NCOIL). Background checks are performed by a third party that has been approved by the National Association of Background Screeners. This involves a motor vehicle check and a review of the national sex offender website. She opined that this will be a benefit for residents and tourists alike. She noted that over 60,000 people in Alaska have opened the Uber app in the last year looking for a ride.

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MITCHEL MATTHEWS, Senior Operations Manager, Uber in the Northwest, displayed a video to demonstrate the features of the Uber app. Riders see screens that show the product description and the prices, type of vehicles, driver contact and trip details, including share status and payment information. The rider also receives information about the driver and where the car is en route.

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CHAIR COSTELLO said a feature she enjoyed is that there is no fumbling for your wallet or purse once you reach your destination. A good safety feature is that the driver and rider each give the other a star rating based on the experience.

SENATOR MEYER asked if the rating is a five-star scale.

MR. MATTHEWS answered yes. Responding to a further question, he confirmed that the rider could reject a driver based on the star rating.

SENATOR HUGHES asked about wait times, how rates are calculated, and if the technology works equally well in rural areas where there are fewer drivers and riders.

MR. MATTHEWS explained that the Uber product is shaped by the community, but it works equally well in both urban and rural communities. The wait times vary according to the number of drivers on the app and where they are relative to the rider. Addressing pricing, he explained that Uber drivers receive per

minute per mile base fare information, so they understand the compensation they will receive for a trip as well as the associated commission and rate structure. Riders receive an estimated fare up front. Feedback from riders is they appreciate the fare transparency and up-front pricing, although that does change during periods of high demand. That is built into the technology.

CHAIR COSTELLO asked him to describe Uber kids and Uber women and if he foresees them being in Alaska should the bill pass.

MR. MATTHEWS explained that Uber teen is a pilot where individuals who are 13-18 years of age can take trips and the parent can see where their child is en route and confirmation that they arrived at the destination. The one million women pledge is to provide a business opportunity for one million women. He noted that a lot of military use the app to bridge income gaps. Uber also has drivers from the hearing-impaired community. Enhanced features in the driver app inform riders that they will be picked up by someone who has a hearing disability. He emphasized that all these drivers own their own business; they set their own schedules, receive a 1099 at the end of the year, and use their own vehicles and equipment.

[2:24:07 PM](#)

SENATOR GARDNER asked how Uber price fluctuations compare to taxicab price fluctuations.

MR. MATTHEWS explained that pricing generally depends on the time of day and how the community shapes the product. When there is more demand for the drivers, the price generally increases. It's also a component of how Uber grows the pie to complement other transportation networks within the community.

SENATOR GARDNER asked if drivers are free as independent contractors to refuse a fare.

MR. MATTHEWS answered yes, drivers are free to decline a ride any time they choose to do so, even after they have arrived at the pick-up point.

SENATOR GARDNER asked if Uber drivers have a business license.

MR. MATTHEWS replied they do in some jurisdictions.

[2:27:02 PM](#)

SENATOR STEVENS questioned whether this really grows the pie and improves the economy. "It makes sense to me that if you give a job to one person and take it away from someone else, you're not creating more jobs. If you give money to someone and take it away from somebody else, you aren't putting more money in the economy."

MR. MATTHEWS related that when Uber enters a market, traditional taxicab drivers also use the for-hire app. He explained that Uber grows the pie by enhancing services and opportunities by bringing in interesting platforms and products to underserved demographics or underserved areas of the community via Uber teen or working with restaurant or hotel partners or care facilities.

[2:28:58 PM](#)

At ease

[2:30:42 PM](#)

CHAIR COSTELLO reconvened the meeting and welcomed Marie Marx who would answer questions related to workers' compensation.

[2:31:02 PM](#)

SENATOR GARDNER asked her to talk about the difference between an employee and an independent contractor.

[2:31:26 PM](#)

MARIE MARX, Director, Division of Workers' Compensation, Department of Labor and Workforce Development (DOLWD), said she could only talk about the definition in the context of workers' compensation. She explained that every employer that has one or more employees is obligated to cover those employees for workplace injuries, and every employee injured on the job is entitled to benefits. Workers' compensation provides that framework, and without it the employer is open to lawsuits and the employee is potentially subject to substantial medical bills if they don't have personal coverage.

Whether or not an individual should be considered an employee is a case-by-case determination, she said. Under current law it is a six-factor balancing test and no one factor is determinative. If a dispute arises after a workplace injury about whether an individual is in fact an employee, the matter goes before the Alaska Workers' Compensation Board. The board looks at factors such as who controlled the work, who provided the primary tools for the job, who set the hours, and how the individual was paid. Then they make a determination on whether the individual is an employee.

SENATOR GARDNER asked if the manner of compensation is a factor. She noted the committee had been told that Uber drivers never touch the money, whereas taxi drivers collect the fare.

MS. MARX said one factor that's considered in the workers' compensation context is how the person is paid for the work and who controls the payment. She related that the Alaska Board of Workers' Compensation has never made a determination on the issue of employee status for Uber or similar technology companies. She offered her understanding that drivers pay a set rate to access the dispatch service in the taxi driver structure, whereas the Uber platform doesn't have a set fee to access the app. The Uber driver is paid for each ride he/she gives.

SENATOR GARDNER asked if she agrees that the bill identifies Uber and other technology company drivers as independent contractors by virtue of definition.

MS. MARX said the division is still reviewing SB 14, but as currently written it doesn't call those drivers independent contractors or employees. Rather, it exempts rideshare drivers from the Alaska Workers' Compensation Act. She explained that the division does not exempt business types, but it currently exempts ten categories of individuals from the Act. "It doesn't mean they're employees. It doesn't mean they're independent contractors. The Act just does not apply to them." She related that commercial fishermen are one category of individuals the Act doesn't apply to. If an injury were to occur, the fisher would not be entitled to workers' compensation benefits.

SENATOR GARDNER asked if an Uber driver would be expected to pay those benefits on his/her own.

MS. MARX replied the Alaska Workers' Compensation system isn't involved when it's an exempt category of individuals. Her understanding is that most states have liability legislation relating to rideshare technology companies, but she doesn't know how many have addressed the tricky issue of independent contractor status.

[2:38:33 PM](#)

SENATOR STEVENS asked if this really is workforce development.

MS. MARX said the administration has not taken a position on the economic impact of this legislation. The division has focused on

the labor aspect looking at whether these individuals would be completely exempt from the Alaska Workers' Compensation Act.

CHAIR COSTELLO noted that the Department of Commerce, Community and Economic Development representative would testify next and he could address the question.

SENATOR STEVENS said he wouldn't ask it again.

[2:40:33 PM](#)

At ease

[2:41:33 PM](#)

CHAIR COSTELLO reconvened the meeting and welcomed Deputy Commissioner Parady.

[2:41:54 PM](#)

FRED PARADY, Deputy Commissioner, Department of Commerce, Community and Economic Development (DCCED), stated that the department believes that SB 14 provides necessary provisions to protect consumers from an insurance perspective. It clarifies the commercial insurance necessary for a transportation network company and allows insurers to exclude coverage offered under personal vehicle policies. He reported that insurers in Alaska and other states have filed endorsements in their automobile lines that specifically exclude coverage for drivers when they are signed into a transportation network company platform.

MR. PARADY said the Division of Insurance has not received filings to add transportation network coverage for Alaska drivers under either personal or commercial auto insurance because TNCs are not expressly authorized. Similarly, no insurers have filed advising the division they are adopting the currently approved authorized insurance service office (ISO). Should the bill pass, those steps likely will occur, he said. Transportation network drivers will then need to make sure their auto insurance coverage complies with Alaska requirements and that they understand their insurance exclusions.

MR. PARADY concluded that SB 14 will have no fiscal impact on the Division of Insurance. The only concern with the bill is resolving the question of coverage under personal and commercial automobile insurance.

[2:45:22 PM](#)

SENATOR STEVENS asked how someone would know that either a taxicab driver or an Uber driver has insurance.

MR. PARADY read the portion of SB 14 that specifically requires a TNC driver or the company on behalf of the driver to carry proof of insurance coverage.

[2:46:41 PM](#)

CHAIR COSTELLO opened public testimony on SB 14.

[2:47:12 PM](#)

NIKKI ROSE, representing herself, Sand Lake, Alaska, testified in support of SB 14. She related her personal experience using Uber when she lived in Seattle and opined that she would be both a driver and rider if this platform were available in Anchorage.

[2:52:07 PM](#)

RYAN KENNEDY, representing himself, Anchorage, Alaska, testified in support of SB 14. He said he follows issues in the transit market in Anchorage closely and believes that TNCs would be very beneficial to the area.

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WILLIAM WEATHERBY, representing himself, King Salmon, Alaska, testified in support of SB 14. He related several instances when taxicabs were not available in his rather rural area and offered his opinion that TNCs could fill the gaps nicely.

[2:58:27 PM](#)

STAN ECKMAN, representing Yellow Cab in Anchorage, testified in opposition to SB 14. He described the history of the taxicab market since Anchorage became a municipality and refuted the idea that TNCs will grow the pie. He maintained they would turn his 30-year career into a hobby. If the taxicab industry is decimated, he asked what will happen if Uber fails or decides to leave. He questioned the insurance scheme for Uber drivers and the assertion that they are independent contractors.

[3:01:30 PM](#)

KEVIN RUSTON, representing himself, Anchorage, Alaska, testified in opposition to SB 14. He said he is a Yellow Cab driver in Anchorage and he does not believe that Uber and other TNCs have been good corporate citizens. They hold themselves above the law. He said they have decimated the existing taxicab industry, they underserve certain populations, and they do not create new jobs.

[3:04:26 PM](#)

RYAN MCKEE, representing himself, Wasilla, Alaska, testified in support of SB 14. His experience is that Uber does a good job of ensuring that their drivers are well identified. He said a lot of people do not use taxicabs because they are too expensive or there aren't enough to meet the demand. Sometimes this results in people driving home drunk, he said. He highlighted that Mothers Against Drunk Drivers has said that DUI rates have dropped dramatically in cities that allow TNCs. Having Uber in Alaska will be a benefit to the state, he said.

[3:06:42 PM](#)

DAVE O'MALLEY, representing himself, Anchorage, Alaska, testified in support of SB 14. He related that he has been openly critical of the dysfunction in the taxicab industry in Anchorage. He shared that he was also the first Uber driver in Anchorage in 2015. He maintained that keeping the status quo in the taxicab industry is at odds with the best interests of the state, the municipality, the public and the industry in general. TNCs will force competition which is what the people want. He emphasized that being an Uber driver is a better deal for the driver than working for a taxicab company.

[3:09:28 PM](#)

BRONSON FRYE representing himself, Anchorage, Alaska, testified in opposition to SB 14. He said the concept of Uber has value, but he has concerns about the business model because it classifies the drivers as independent contractors. He maintained it violates tax and employment laws as well as the rights of employees. He said worker misclassification has been the subject of widespread litigation nationwide and he doesn't believe Uber drivers are actually independent contractors. They don't set fares, they can't accept tips, they must accept riders when they're logged into the app, and they must buy or lease a car that meets Uber specifications. He said misclassification is such a problem in the construction industry that the governor introduced a bill to address the problem. It doesn't make sense to pass a bill that would potentially create that same problem in another industry, he said.

[3:15:26 PM](#)

ERIC GRANT representing himself, Seattle, Washington, testified in support of SB 14. He has been an independent contractor with Rideshare for two and one-half years and it has been an economic benefit for his family. He suggested the committee look at both the economic boost TNCs will give to a community and the opportunity they will provide for people to earn more income. He said TNCs naturally grow the pie. Someone sitting at home in a

remote area could turn on the app and learn that someone nearby was looking for a ride. That person may not want to wait more an hour for a taxi to show up. He regularly drives drunk people, elderly people, and school age children. All rides are tracked so there is no safety issue. He drives full time, but it is a part-time model that is designed to allow people to make extra income.

[3:19:36 PM](#)

MAURICE BROWN, representing herself, Seattle, Washington, testified in support of SB 14. He has been an Uber driver for over two years and it has given him an opportunity to be self-employed and provide for his family. He relayed a personal experience that demonstrates ride safety and benefit to the community. He believes that TNCs will diversify the economy of a community.

[3:24:17 PM](#)

KELSEY PULZZINSKI, representing herself, Anchorage, Alaska, testified in support of SB 14. She believes authorizing TNCs will be good for Alaska and will level the playing field. It will make it easier for veterans, low-income workers, and students to earn some extra cash at a transitional stage of their lives.

[3:25:29 PM](#)

JIM BRENNAN, Attorney, Anchorage, Alaska, said he has been representing elements in the taxicab industry for over 30 years. He described the current committee process as a travesty. Uber was allowed to monopolize the testimony leaving little to no time for people like himself and other Alaskans to testify. He emphasized that the State of Alaska should not engage in the regulation of an industry that has traditionally been regulated by individual municipalities. He said that how to allow TNCs to come in and play by the same rules as regulated taxicab companies is a very involved question. Municipalities like Anchorage have wrangled with this issue and it varies from city to city. "You should not do this on a statewide basis," he emphasized.

[3:27:11 PM](#)

ROSS BIELING, representing himself, Anchorage, Alaska, testified in support of SB 14. He said his first experience with Uber was wonderful. He believes that the crux of the matter is that "we don't like competition in Anchorage." Uber provides a very unique service and the taxicab industry needs to wake up and realize that things are changing, he said.

[3:28:19 PM](#)

JEREMY PRICE, State Director, Americans for Prosperity, Anchorage, Alaska, testified in support of SB 14. He said that TNCs will benefit Alaska in any number of ways. They will provide competition and improve the service of taxicab companies. He said there should be no fear about changing and increasing innovation.

CHAIR COSTELLO noted that Senator MacKinnon, cosponsor of SB 14, had rejoined the committee.

[3:29:55 PM](#)

BETH GOLDMAN, representing herself, Anchorage, Alaska, testified in support of SB 14. She said she was an Uber driver in Anchorage at the same time as Mr. O'Malley. It allowed her to earn much needed income, so she could live near her grandchildren. The platform is needed statewide.

[3:30:57 PM](#)

MARISA FREEMAN, representing herself, Anchorage, Alaska, testified in support of SB 14. She knows from first-hand experience that competition is healthy.

CHAIR COSTELLO said she welcomed written testimony.

[CHAIR COSTELLO held SB 14 in committee.]

[3:32:21 PM](#)

There being no further business to come before the committee, Chair Costello adjourned the Senate Labor and Commerce Standing Committee meeting at