

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

March 26, 2024

1:01 p.m.

MEMBERS PRESENT

Representative Kevin McCabe, Chair
Representative Sarah Vance, Vice Chair
Representative Tom McKay
Representative Craig Johnson
Representative Jesse Sumner
Representative Louise Stutes
Representative Genevieve Mina

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 376

"An Act relating to transportation network and delivery network companies."

- MOVED HB 376 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 376

SHORT TITLE: DELIVERY NETWORK COMPANIES

SPONSOR(S): TRANSPORTATION

02/20/24	(H)	READ THE FIRST TIME - REFERRALS
02/20/24	(H)	TRA, L&C
03/07/24	(H)	TRA AT 1:00 PM BARNES 124
03/07/24	(H)	Heard & Held
03/07/24	(H)	MINUTE(TRA)
03/26/24	(H)	TRA AT 1:00 PM BARNES 124

WITNESS REGISTER

ALISSON FORD, Public Policy Manager
Uber Technologies
Seattle, Washington

POSITION STATEMENT: Gave invited testimony in support of HB 376.

KELLEY FOXX, Government Affairs Manager
Instacart
Chicago, Illinois

POSITION STATEMENT: Gave invited testimony in support of HB 376.

CHARLIE COLLINS, Director
Division of Workers' Compensation
Department of Labor and Workforce Development
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 376.

PATRICK FITZGERALD, Political Coordinator
Teamsters Local 959
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to HB 376.

ACTION NARRATIVE

[1:01:35 PM](#)

CHAIR KEVIN MCCABE called the House Transportation Standing Committee meeting to order at 1:01 p.m. Representatives C. Johnson, McKay, Vance, Stutes, Sumner, and McCabe were present at the call to order. Representative Mina arrived as the meeting was in progress.

HB 376-DELIVERY NETWORK COMPANIES

[1:02:18 PM](#)

CHAIR MCCABE announced that the only order of business would be HOUSE BILL NO. 376, "An Act relating to transportation network and delivery network companies."

CHAIR MCCABE offered a brief recap on the bill and paraphrased parts of the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

I am proud to introduce House Bill 376, which aims to address critical aspects of labor regulations concerning transportation network companies (TNCs) and delivery network companies (DNCs) in the state of Alaska. This bill seeks to clarify the classification

of workers within these industries, ensuring that they are treated fairly and equitably under the law.

Over the past decade, the rise of transportation and delivery network companies has transformed the way people and goods are transported and delivered. These companies provide valuable services that enhance mobility, convenience, and accessibility for individuals and businesses alike. However, as the gig economy has expanded, questions have arisen regarding the classification of workers and their rights and protections under existing labor laws.

House Bill 376 addresses these concerns by refining the classification of workers within the TNC and DNC sectors. It ensures that individuals who provide prearranged rides or delivery services through digital networks are properly classified as independent contractors, provided they meet specific criteria outlined in the bill.

This bill will address policy inconsistencies and improve the working standards of delivery drivers in Alaska. This legislation aims to align the status of delivery drivers with that of rideshare drivers, recognizing them all as essential contributors to the digital marketplace. The current distinction between rideshare and delivery drivers in relation to workers' compensation does not reflect the fluid nature of their roles, where drivers often switch between passenger transportation and goods delivery. This creates needless uncertainty and potential inconsistency in the application of our laws, undermining the flexibility and supplemental income opportunities that platform workers rely on.

Furthermore, this bill seeks to ensure Alaska stays in line with developments in other states where marketplace platform workers across all platforms are treated uniformly. Such consistency is paramount in fostering fairness, understanding, and avoiding legal ambiguities in this fast-growing digital space. Similar to other states, Alaska should establish a policy environment that attributes equal regulatory treatment to all platform workers, regardless of their chosen platform. This will not only demonstrate Alaska's commitment to valuing all digital platform

workers but will also encourage a fair and inclusive digital marketplace.

CHAIR MCCABE noted the invited testifiers who would be present and invited any questions or comments from committee members before moving forward.

[1:03:35 PM](#)

ALISSON FORD, Public Policy Manager, Uber Technologies, gave invited testimony in support of HB 376. She stated that the bill would provide consistency and clarity of the law for thousands of Alaskans earning supplemental income as ride share and delivery drivers and contributing to the digital economy in Alaska. She said that as this new digital market expands, the workers become even more valued. The bill would extend protection under the law that drivers have expressed that they want and need. She offered to answer questions and shared her excitement for working with the committee on HB 376.

[1:06:05 PM](#)

REPRESENTATIVE STUTES asked whether the "average Joes" who deliver from McDonald's are asking for additional fees to pay for their business.

MS. FORD replied she meant to clarify that drivers currently are independent contractors, and they want to remain as such under protection.

REPRESENTATIVE STUTES asked about independent contractors who do not use the application ("app").

MS. FORD offered her belief that the bill would not impact any other independent contractors other than those defined as accessing the app-based platforms.

[1:07:36 PM](#)

REPRESENTATIVE MINA questioned what protection independent contractors that are not Uber drivers have.

MS. FORD replied that per local law, Uber delivery workers and Uber ride share drivers are required to provide their own vehicles and insurance to have access to the app.

REPRESENTATIVE MINA asked whether there were other requirements other than providing their own vehicles and insurance.

MS. FORD added that there is a requirement to run background checks. There are also criteria that may be flagged, she said, and she offered to follow up with a more comprehensive list.

[1:10:30 PM](#)

REPRESENTATIVE STUTES asked for confirmation that the ride share drivers are required to have "this insurance," whereas the delivery drivers are not.

MS. FORD responded that she would double-check but believed Representative Stutes was correct.

[1:11:27 PM](#)

CHAIR MCCABE commented it was something that should be looked into.

[1:11:45 PM](#)

KELLEY FOXX, Government Affairs Manager, Instacart, gave invited testimony and expressed support of HB 376. He stated that the bill would preserve access to independence and flexibility that shoppers on the Instagram platform consistently say they want and need. He gave a brief background of Instagram, adding that it partners with many stores across Alaska resulting in economic stability and jobs. He added that Instagram also offers flexible earning opportunities for many Alaskans looking to make additional income on their own terms, and that HB 376 would meet the needs of this modern and independent workforce. He respectfully urged the committee to prioritize the interest and well-being of Alaskans by supporting HB 376.

[1:14:32 PM](#)

REPRESENTATIVE STUTES restated a previous question referencing whether rideshare drivers are required to carry insurance.

MR. FOXX said that in this case, rideshare drivers or delivery network drivers are not required to carry workers' compensation insurance.

[1:15:47 PM](#)

CHARLIE COLLINS, Director, Division of Workers' Compensation, Department of Labor and Workforce Development (DLWD), in reference to questions from committee members, said that delivery network drivers are not covered under statute, and due to events in the past several months, this point has come to the forefront. He noted agreements with some of the aforementioned places, and that currently if one is an independent contractor or sole proprietor there is no need for coverage.

[1:17:52 PM](#)

REPRESENTATIVE SUMNER offered a scenario at his excavation business and discussed, if the bill were to pass and he had an app, whether he would not pay his dump truck driver workers' compensation if they used the app.

MR. COLLINS replied that was an interesting conundrum. He added that all drivers should have a business license by statute.

[1:19:41 PM](#)

REPRESENTATIVE STUTES offered her belief that those working for themselves are not required to have the insurance if they are a sole proprietor. She asked whether the bill could change that so the insurance would be a requirement.

MR. COLLINS said that as an independent contractor, they would not have to be covered under workers' compensation; it is an opt-in or opt-out option.

REPRESENTATIVE STUTES recognized that HB 376 would cover those delivery drivers that work through one of the apps.

MR. COLLINS said the vision is for a certain group of people supplementing their income; it had been decided that it should not have to cost the network company to buy in for workers' compensation.

[1:21:50 PM](#)

CHAIR MCCABE commented that the intention of the bill is to clarify much of the confusion surrounding transportation network company drivers and statute.

[1:22:28 PM](#)

REPRESENTATIVE SUMNER referenced that some drivers are engaged in shopping activities.

CHAIR MCCABE noted that the discussion, for the most part, was about workers' compensation insurance not being clear enough in statute.

[1:22:55 PM](#)

REPRESENTATIVE VANCE pointed out that language on page 5 of HB 376, under the definitions section, clarifies many of the questions posed here today.

[1:23:49 PM](#)

CHAIR MCCABE opened public testimony on HB 376.

[1:24:21 PM](#)

PATRICK FITZGERALD, Political Coordinator, Teamsters Local 959, testified in opposition to HB 376. He said that Teamsters 959 opposed the legislation because there is a misclassification of contractors' roles with the aforementioned industries. The question as to the worker classification has grown more contentious, he said. By defining the working people of the industry as private contractors, the companies are able to collect the revenue from the working people who provide the services across the country and save millions by not providing workers' compensation, health care, or providing safety standards. He urged the committee to oppose the current version of HB 376.

[1:25:57 PM](#)

CHAIR MCCABE, after ascertaining that no one else wished to testify, closed public testimony on HB 376.

[1:26:08 PM](#)

REPRESENTATIVE STUTES asked for confirmation that there was no requirement to carry the insurance unless opting in.

MR. COLLINS confirmed that was correct.

[1:26:56 PM](#)

REPRESENTATIVE MINA addressed Mr. Collins on whether one has supplemental income or full-time work that there would still not be a requirement to get workers' compensation insurance.

MR. COLLINS confirmed that was correct; they would be viewed as independent contractors.

REPRESENTATIVE MINA asked whether drivers were required to have a business license. She further inquired about delivery network drivers' requirements for a business license.

MR. COLLINS replied that they are required to have all licenses as an independent contractor. He confirmed that that portion of the statute would not be changed.

[1:29:03 PM](#)

The committee took a brief at-ease at 1:29 p.m.

[1:29:31 PM](#)

REPRESENTATIVE MCKAY moved to report HB 376 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 376 was reported out of the House Transportation Standing Committee.

[1:30:48 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 1:31 p.m.