



OFFICE OF THE CITY AUDITOR
POLICY AND RESEARCH DIVISION

AMENDED: Analysis of TNC Compensation Rate Models

PRESENTED TO THE MINNEAPOLIS CITY COUNCIL COMMITTEE OF THE WHOLE
FEBURARY 6TH, 2024

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NOTE: At the January 30th meeting of the Business, Housing, & Zoning Committee, the original version of this report to Council was deferred to the February 6th meeting of the Committee of the Whole. In order to provide additional information through an appendix and expanded, or updated, explanatory narrative where it may be helpful, the original report has been amended. It is also important to note that the original report remains available and none of the conclusions or analysis have changed.

Introduction

On November 28, 2023, the Minneapolis Business, Inspections, Housing & Zoning Committee approved a legislative directive to the Legislative Department requesting an assessment of multiple compensation models for transportation network company, “rideshare”, drivers:

The Minneapolis City Council directs the Legislative Department to compare the estimated average net hourly earnings after associated cost factors for Transportation Network Company (TNC) drivers working under the following three minimum compensation models, and to report the findings to the proper Committee no later than January 19, 2024.

- Model A: A minimum compensation rate of \$1.40 per mile and \$0.51 per minute for the time transporting a rider.
- Model B: A minimum compensation rate of \$1.17 per mile and \$0.34 per minute for the time transporting a rider.
- Model C: A flat rate of \$24 per hour, applied only during time on the way to pick up a rider or during the time transporting a rider.

The following assessment reviews compensation models and rates for drivers operating under transportation network companies (TNCs). The State of Minnesota defines TNCs as: “...a corporation, partnership, sole proprietorship, or other entity that is operating in Minnesota that uses a digital network to connect transportation network company riders to transportation network company drivers who provide prearranged rides.”¹

Compensation rate models are based on data obtained using numerous methods including surveys, government and private organization datasets, and academic research. As has been the case in other localities, in the absence of compensation rate models being informed through direct unrestricted access to rideshare data, it is important to note that these models are determined using the best information that is available. As a result, it is necessary to

¹ [Sec. 65B.472 MN Statutes](#)

conduct a continued assessment to ensure that models and rates can be adapted to account for any changes in the data sources or the data itself.

Timeline of Recent Legislative Efforts

On May 19, 2023, the Minneapolis Business, Inspections, Housing & Zoning Committee approved a legislative directive to the Mayor requesting a multidisciplinary review that included calculation of a minimum wage equivalent for rideshare drivers². At the committee's June 6 meeting, staff from the City's Community Planning and Economic Development Department provided a presentation in response to the request that outlined calculations for a transportation network driver minimum wage equivalent³.

On August 17⁴, the Minneapolis City Council voted to approve a transportation ride share worker protections ordinance⁵ that would have set compensation rates of \$1.40/mile and \$0.51/minute while a TNC driver was transporting a rider. On August 22 this action was subject to a mayoral veto⁶ and, at the September 7 meeting of City Council⁷, did not receive the required number of votes necessary to override the veto⁸.

At the state level, on May 18, 2023, the Minnesota House of Representatives passed HF 2369 "establishing protections for transportation network company drivers"⁹. Approved by the Minnesota State Senate on May 21¹⁰, Section 2 of this bill included language on TNC driver compensation that set rates of at least \$1.45/mile and \$0.34/minute while transporting a rider for trips beginning in the seven-county metropolitan area. On May 25, this bill was vetoed by Minnesota Governor Tim Walz¹¹. At that time, the Governor also established the "Governor's Committee on the Compensation, Wellbeing, and Fair Treatment of Transportation Network Company Drivers" through Executive Order 23-07¹². This committee was tasked with gathering and analyzing data relating to TNC driver working conditions, drafting recommendations, and providing a recommendation(s) report by January 1, 2024. On December 30, the committee

² [TNC Rate Study Legislative Directive \(minneapolismn.gov\)](#)

³ [TNC Rate Study Staff Presentation \(minneapolismn.gov\)](#)

⁴ [City Council Agenda 8/17/2023 9:30 AM - City of Minneapolis \(minneapolismn.gov\)](#)

⁵ [Transportation Ride Share Worker Protection Ordinance \(revised as amended Aug 8, 2023\) \(minneapolismn.gov\)](#)

⁶ [2023-052 Veto Letter \(minneapolismn.gov\)](#)

⁷ [City Council Proceedings September 7, 2023 \(minneapolismn.gov\)](#)

⁸ [2023-00044 - Transportation ride share worker protections ordinance \(minneapolismn.gov\)](#)

⁹ [HF 2369 3rd Engrossment - 93rd Legislature \(2023 - 2024\) \(mn.gov\)](#)

¹⁰ [HF 2369 Status in the House for the 93rd Legislature \(2023 - 2024\) \(mn.gov\)](#)

¹¹ [2023veto_ch65.pdf \(mn.gov\)](#)

¹² [Microsoft Word - 23-07 TNC EO \(mn.gov\)](#)

issued its recommendation report¹³. Regarding compensation, the recommendations stated that minimum payment for any transportation of a rider should be set at \$5.00. However, there were no recommendations made on any time or distance-based driver compensation.

Overview of Existing Programs

The following overview encompassed two of the earliest adopters of rideshare minimum compensation, New York City and Seattle. These cities were also the primary focus of City staff during the initial legislative directive response in 2023.

New York City, NY

In 2018, New York City became the first U.S. location to adopt policies regarding rideshare driver compensation¹⁴. The NYC Taxi and Limousine Commission established three components to determine driver compensation rate via time, distance, and utilization. Measuring time acknowledged the amount of time drivers spent in their vehicles and the distance measurement was intended to account for any major expenses covered by drivers, such as repairs. The utilization measurement determines what percentage of a driver’s time is spent transporting a rider and can be helpful in measuring the efficiency of a particular groups use of drivers. Additionally, it was noted that these polices did not create a set passenger fare or establish a formal rideshare minimum wage. Instead, these compensation standards establish a base rate of driver compensation that a company must comply with to operate in New York City. The NYC Taxi and Limousine Commission maintains driver compensation rates and conducts reviews to ensure rates are adjusted as necessary.

2023 Rideshare Compensation Rates ¹⁵ - NYC Taxi and Limousine Commission		
	Non-Wheelchair Accessible Vehicle	Wheelchair Accessible Vehicle
Per Mile Driver Compensation	\$1.314	\$1.702
Per Minute Driver Compensation	\$0.564	\$0.564

¹³ [Recommendations for the Compensation, Wellbeing and Fair Treatment of TNC Drivers \(mn.gov\)](#)

¹⁴ [Driver Pay - TLC \(nyc.gov\)](#)

¹⁵ [Driver Pay Rates - TLC \(nyc.gov\)](#)

Seattle, WA

In 2020, Seattle received a report from the Center for New York City Affairs, a public policy wing of The New School, and the Center for Wage and Employment Dynamics at the University of California – Berkeley¹⁶. This report reviewed a range of items including current rideshare driver compensation, multiple compensation models, factors that impact rideshare compensation, rideshare trip characteristics, and rideshare vehicle data. This information was gathered through extensive review of data provided by King County, Seattle, trip and vehicle tracking, multiple surveys of rideshare drivers in the Seattle area, and a portion of data provided by Uber. This report was used by the City of Seattle to establish its own rideshare compensation model beginning in 2021. The model selected was comprised of a per minute and per mile amount, with a per trip amount of \$5.00 serving as the minimum compensation for any transportation of a rider.

In March 2022, The Washington State Senate passed HB2076¹⁷ “Concerning rights and obligations of transportation network company drivers and transportation network companies”. This bill expanded rideshare minimum compensation and other criteria to a statewide initiative. While the compensation rate established for a majority of the state was lower than what Seattle had implemented, the legislation allowed for a separate compensation schedule to be applied on trips beginning in Seattle and a hybrid compensation schedule for trips beginning outside of Seattle. These schedules are outlined and updated by the Washington State Department of Labor and Industries in their notice of driver rights¹⁸.

2024 TNC Minimum Compensation Rates - Washington Department of Labor and Industries ¹⁹				
	Trips Starting in Seattle	Trips Outside of Seattle	Trips Ending in Seattle BUT Beginning Outside of the City*	
Per Mile Driver Compensation	\$1.55	\$1.31	\$1.55	\$1.31
Per Minute Driver Compensation	\$0.66	\$0.38	\$0.66	\$0.38
Trip Minimum Compensation	\$5.81	\$3.37	\$5.81	

*This compensation calculation uses whichever rate provides the highest driver compensation rate

¹⁶ [Parrott-Reich-Seattle-Report July-2020\(0\).pdf](#)

¹⁷ [Washington State Legislature](#)

¹⁸ [Driver Notice of Rights-English \(wa.gov\)](#)

¹⁹ [Driver Notice of Rights-English \(wa.gov\)](#)

Model Rate Calculations

For the purposes of determining potential compensation rates for TNC drivers in Minneapolis, CPED staff utilized the Seattle report to guide estimates of what potential models could resemble. This report outlines the approach as follows:

“The minimum compensation standard is intended to ensure that drivers are able to cover their vehicle and related “non-mileage” expenses and earn the independent contractor equivalent of Seattle’s minimum hourly wage. Our proposals thus include two components for each trip: a per minute component to compensate for work time, and a per mile component to cover expenses. In addition, the legislation specifies a number of other factors that should be considered in specifying the compensation standard.”²⁰

To understand the segments of a rideshare driver “status”, it’s important to outline the three stages identified in the report of P1, P2, and P3.

- Stage P1 reflects when a driver is logged into the app as active but not transporting a rider or in transit to pick-up a rider.
- Stage P2 reflects when a driver is in active commute to pick up a rider who has requested service.
- Stage P3 encompasses the transportation of a rider from pick-up location to their drop off at the intended destination.

Regarding the different stages, the Seattle report highlighted “At present, TNCs compensate drivers only on the basis of P3 (passenger time) for each trip”²¹. However, the initial Seattle ordinance also required payment during P1 and P2. To account for this, the model rate calculation determined the average hourly percentage a driver would be in the P3 stage (roughly 50%) and used that as a weighted multiplier to increase P3 compensation to account for the P1 through P2 windows.

The per mile compensation rate can vary across localities because it is often tied to a range of items such as auto or health insurance, paid leave, retirement, vehicle maintenance, vehicle payments, etc. These expenses are then broken down to determine hourly cost and can be weighted based on the percentage of drivers where they may be applicable. Seattle’s per mile compensation is currently \$1.55/mile. Minneapolis CPED staff reviewed the Seattle model and attempted to account for factors where adjustments could be made due to market differences

²⁰ [Parrott-Reich-Seattle-Report July-2020\(0\).pdf](#)

²¹ [Parrott-Reich-Seattle-Report July-2020\(0\).pdf](#)

such as cost of living and traffic density. In addition, Seattle models also included items not within the scope of the Minneapolis plan such as paid medical leave. Once these items had been accounted for, initial estimates from Minneapolis staff on a per mile compensation were \$1.40/mile.

To determine the per mile compensation rate for Minneapolis, it needs to be adjusted to reflect our own minimum wage. As of January 1, 2024, the Minneapolis large employer minimum wage is \$15.57²². Using a similar average to Seattle’s findings, we use an average P3 status of 50% per hour (30 minutes). To determine the per minute compensation rate to bring a driver to minimum wage, and accounting for P1 and P2 times, \$15.57 is divided by 30 (minutes) to produce the per minute compensation of \$0.519 – rounded to \$.052.

Model Rate Examples by Ward

The following examples are intended to provide a comparison of how each of the three models would impact compensation for identical trips from each Ward. These examples were calculated by identifying parks or recreational centers in each Ward and determining the time and distance of a trip from those locations to Minneapolis City Hall downtown. In each case, the fastest route available at the time of assessment was chosen. Additionally, it is important to note that certain Minneapolis borders include highways that can briefly cross in and out of city limits over short periods. This is something that would complicate the calculation of any official trip compensation rate but, for the purposes of this exercise, routes selected were calculated in their entirety. Since Model C employs a flat rate that is applicable enroute (P2) and while transporting a rider (P3), this calculation also uses City Hall as a consistent driver starting point to begin P2 and essentially complete a round-trip upon completion of P3.

Ward 1

Columbia Park to City Hall
4.5 miles, 12 Minutes

	Model A	Model B	Model C
\$/miles	\$6.30	\$5.26	N/A
\$/mins	\$6.24	\$4.08	\$9.60
Total	\$12.54	\$9.34	\$9.60

Ward 2

Longfellow Beach to City Hall
4.7 Miles, 13 Minutes

	Model A	Model B	Model C
\$/miles	\$6.58	\$5.49	N/A
\$/mins	\$6.76	\$4.42	\$10.40
Total	\$13.34	\$9.91	\$10.40

²² [min wage \(minneapolismn.gov\)](http://min.wage.minneapolismn.gov)

Ward 3

Bottineau Recreation Center to City Hall
2.6 Miles, 8 Minutes

	Model A	Model B	Model C
\$/miles	\$3.64	\$3.04	N/A
\$/mins	\$4.16	\$2.72	\$6.40
Total	\$7.80	\$5.76	\$6.40

Ward 7

Cedar Lake Point Beach to City Hall
3.9 Miles, 8 Minutes

	Model A	Model B	Model C
\$/miles	\$5.46	\$4.56	N/A
\$/mins	\$4.16	\$2.72	\$6.40
Total	\$9.62	\$7.28	\$6.40

Ward 4

Webber Community Center to City Hall
4.8 Miles, 11 Minutes

	Model A	Model B	Model C
\$/miles	\$6.72	\$5.61	N/A
\$/mins	\$5.72	\$3.74	\$8.80
Total	\$12.44	\$9.35	\$8.80

Ward 8

Dr. Martin Luther King, Jr. Park to City Hall
3.8 Miles, 10 Minutes

	Model A	Model B	Model C
\$/miles	\$5.32	\$4.44	N/A
\$/mins	\$5.20	\$3.40	\$8.00
Total	\$10.52	\$7.84	\$8.00

Ward 5

North Commons Park to City Hall
3.1 Miles, 12 Minutes

	Model A	Model B	Model C
\$/miles	\$4.34	\$3.62	N/A
\$/mins	\$6.24	\$4.08	\$9.60
Total	\$10.58	\$7.70	\$9.60

Ward 9

Corcoran Park to City Hall
3.7 Miles, 11 Minutes

	Model A	Model B	Model C
\$/miles	\$5.18	\$4.32	N/A
\$/mins	\$5.72	\$3.74	\$8.80
Total	\$10.90	\$8.06	\$8.80

Ward 6

Matthews Recreation Center to City Hall
3.2 Miles, 9 Minutes

	Model A	Model B	Model C
\$/miles	\$4.48	\$3.74	N/A
\$/mins	\$4.68	\$3.06	\$7.20
Total	\$9.16	\$6.80	\$7.20

Ward 10

Lyndale Farmstead Park to City Hall
4.5 Miles, 12 Minutes

	Model A	Model B	Model C
\$/miles	\$6.30	\$5.26	N/A
\$/mins	\$6.24	\$4.08	\$9.60
Total	\$12.54	\$9.34	\$9.60

Ward 11

Bossen Field Park to City Hall
8.6 Miles 13 Minutes

	Model A	Model B	Model C
\$/miles	\$12.04	\$10.06	N/A
\$/mins	\$6.76	\$4.42	\$10.40
Total	\$18.80	\$14.48	\$10.40

Ward 12

Morris Park Recreation Center to City Hall
6.7 miles, 18 minutes

	Model A	Model B	Model C
\$/miles	\$9.38	\$7.83	N/A
\$/mins	\$9.36	\$6.12	\$14.40
Total	\$18.74	\$13.95	\$14.40

Ward 13

Armatage Park to City Hall
8.6 Miles, 13 Minutes

	Model A	Model B	Model C
\$/miles	\$12.04	\$10.06	N/A
\$/mins	\$6.76	\$4.42	\$10.40
Total	\$18.80	\$14.48	\$10.40

Conclusion

The assessment of the three compensation rate models results in several conclusions that should be considered in determining what model is best suited for adoption or to serve as a baseline to explore additional alternatives.

1. Accounting for variance of schedules and driver assignments, all three models have the potential to produce baseline driver compensation levels that meet or exceed the current Minneapolis minimum wage.
2. Model A
 - a. The initial analysis from City CPED staff resulting in Model A is consistent with the approaches taken by other locations who have adopted, or are considering, TNC minimum compensation policies. While Model A consistently produced compensation amounts that exceeded those of Model B and Model C, it utilized the work of the Seattle report and accounted for localized factors and scope to determine rates per minute and mile.

3. Model B

- a. Model B does indicate that it can produce outcomes bringing drivers within the minimum compensation range. Based on research, this proposal reflects a compensation model that Uber and Lyft have previously voiced support and potential agreement on for statewide adoption²³. The \$1.17 per mile also mirrors the preliminary amount adopted by the State of Washington based on calculations in the Parrott-Reich Report provided to Seattle²⁴. However, while the per mile calculation was adopted for statewide policy in Washington, excluding Seattle, it has been subsequently updated to \$1.31 per mile. Additional information on this compensation model would be necessary to determine how it accounts for incurred expenses such as vehicle maintenance and other operator expenses as well as assumptions of driver time spent in stages P1, P2, and P3.

4. Model C

- a. This model provides the simplest approach that meets the minimum compensation range. However, it poses challenges by not specifically accounting for trip volume, traffic patterns, vehicle depreciation, or maintenance costs.

5. Following the approaches of other city and state government entities, Minneapolis should consider a timeline for any compensation model adopted to be reviewed and evaluated following implementation. This will allow for potential adjustments to areas that may not be functioning as intended and to identify any additional impacts, adverse or otherwise, that may affect achieving the desired outcomes.

²³ [Minnesota Uber and Lyft task force fails to make minimum wage recommendation - Minnesota Reformer](#)

²⁴ [https://www.seattle.gov/Documents/Departments/LaborStandards/Parrott-Reich-Seattle-Report_July-2020\(0\).pdf#page=59](https://www.seattle.gov/Documents/Departments/LaborStandards/Parrott-Reich-Seattle-Report_July-2020(0).pdf#page=59)

CWED and IRLE Comparison of two Seattle TNC driver studies²⁵

James Parrott and Michael Reich ([Full Report](#))

July 6, 2020



Comparison of two Seattle TNC driver studies

James Parrott and Michael Reich

July 6, 2020

The City of Seattle commissioned James Parrott and Michael Reich to study TNC driver pay in Seattle ([the Parrott-Reich study](#)²⁶). Our just-released study finds that driver pay averages \$9.73 per hour (after expenses), that a majority of the rides in the city are performed by full-time drivers who acquired their car for this purpose, and for whom driving is their primary source of income. The Parrott-Reich study presents a comprehensive analysis of the TNC industry in Seattle, not only analyzing data on earnings, but also surveying 30,000 drivers, and analyzing their reasons for driving, their expenses and the industry business model, to better understand why driver pay is so low. Parrott and Reich previously conducted a similar study for New York City, which implemented its recommended standard in February 2019. That standard has been working as designed.

To counter the Parrott-Reich study, Uber and Lyft commissioned researchers at Cornell University's ILR School, led by Louis Hyman (the Uber-Lyft-Hyman study) to present a diametrically different perspective. They claim that drivers net over \$23 per hour, well above compensation in comparable low-wage industries and more than taxi drivers earn. The Uber-Lyft-Hyman study relies only on detailed data provided by Uber and Lyft on driver trips and earnings for one week in October 2019. The City of Seattle had requested similar data from the two companies, but they refused to provide that for use in the Parrott-Reich study, with only Uber providing limited summary data and Lyft not providing any data except a list of the top 10 car models used by their drivers. Hyman previously had published a book that provides a favorable assessment of temp jobs.

The differences between the two studies are based primarily in their depiction of the driver population, in how to define working time, and in how to account for the full range of expenses that drivers bear. They do not arise from differences between the earnings data that Uber provided for the Parrott-Reich study and the data it provided to Hyman.

²⁵ [Microsoft Word - Comparison of two Seattle studies MR.docx \(berkeley.edu\)](#)

²⁶ [Parrott-Reich-Seattle-Report July-2020-1.pdf \(berkeley.edu\)](#)

Here are the five key differences between the two reports:

1— Definition of working time--paying a driver for all working time vs. arbitrarily excluding a portion of working time to boost gross hourly earnings

The Uber-Lyft-Hyman study fails to include 35 percent portion of the time drivers spend waiting to receive a trip request (P1 time) as working time. The Uber-Lyft-Hyman study excludes all P1 time that is not directly followed by a trip. For example, if a driver spends 10 minutes driving in downtown Seattle hoping to receive a trip request and then decides to go offline to take a break, the 10 minutes is not included in the Uber-LyftHyman analysis. But if that same period of driving time resulted in a trip request at 9 minutes and 59 seconds, the Uber-Lyft-Hyman study included the time, even though the driver's activity is identical in both scenarios.

More important, the companies asserted that this time might include time when a driver is at home with the driver app on with no intention of taking a trip. In fact, this is highly unlikely, as the vast majority of drivers do not live in Seattle. Yet the Uber-Lyft-Hyman study clearly states that its data set does not include P1 periods that occur outside of Seattle.

The exclusion of 35 percent of P1 working time to inflate hourly earnings is not justified.

2— Different views of drivers--seeking to earn a living driving vs. casual drivers seeking to add a few dollars here and there

The Parrott- Reich study finds a majority of the trips are completed by drivers who are committed to and rely on TNC driving. Specifically, the study finds that full-time drivers account for 55 percent of all trips, that 83 percent of full-time drivers purchased their vehicles to provide TNC services and that 72 percent of fulltime drivers rely on driving as their sole source of income. In addition, more than half of drivers have been providing TNC services for more than two years.

The Uber-Lyft-Hyman study claims that most drivers provide TNC services on a casual or very part-time basis. It arrives at this conclusion based solely on the number of drivers who drive in various hour buckets, while ignoring the proportion of the trips or miles accounted for by each working-hour bucket of drivers.

The consequences of this approach are far-reaching, as the study bases its expense analysis (discussed below) on these hourly buckets and not on aggregate miles driven. Once the Uber-Lyft-Hyman study is adjusted to account for the miles driven by each category of drivers, the studies become more aligned—the full and part-time drivers identified in their report account for 60 percent of the TNC miles driven. But the study fails to align its conclusions based on this fact and the expense analysis is therefore flawed.

3— Expenses--recognizing all expenses vs. a minimalist approach that excludes many

The Parrott- Reich study recognizes the full array of expenses borne by drivers seeking a living from driving, whereas the Uber-Lyft-Hyman excludes numerous expenses by taking a minimalist “marginal” perspective that assumes drivers will use existing cars to provide a few rides here and there. Parrott and

Reich conclude that driver expenses in Seattle total 52.2 cents per mile—just below the IRS rate of 57.5 cents per mile.

Fixed vs. marginal Costs: Uber-Lyft-Hyman include only the expenses that a casual driver would not otherwise incur (marginal costs). By contrast, the Parrott-Reich study includes all costs associated with driving (fixed costs), but prorates them based on average mileage.²⁷ Since most trips are completed by full-time drivers, whose primary use of the vehicle is for TNC purposes, it makes little sense to exclude the bulk of expenses associated with driving.

Exclusion of expense categories: Uber-Lyft-Hyman inexplicably exclude numerous expenses, such as periodic vehicle cleaning, the cost of smartphones and smart phone plans (many drivers have a cell phone dedicated only to TNC use), the cost of rideshare insurance, and required TNC vehicle inspections. Further, Uber-Lyft-Hyman excludes entirely the cost of personal insurance, which is higher for TNC drivers than others. Moreover, TNCs provide only secondary insurance during wait time-- and at low coverage levels.

Depreciation: The Uber-Lyft-Hyman study uses extremely low estimates for the cost of depreciation, again because it asserts that most drivers perform TNC services as part-timers (an assertion that is not supported by the percent of trips performed by full-time drivers). For both part-time and full-time drivers, the vast majority of miles driven on the vehicle in any given year are for TNC purposes—and should clearly be considered the primary use of the vehicle. Uber-Lyft-Hyman estimate that depreciation is only about 2 cents per mile! This estimate is out of line with all previous studies of TNC earnings and expenses; and it is significantly below other accepted estimates of depreciation (such as the 27 cents IRS rate for depreciation and the 19 cent AAA rate for depreciation of a medium sedan). Parrott and Reich use vehicle acquisition costs as means of estimating depreciation and calculates those costs at 22 cents per mile—5 cents below the IRS rate and just 1 cent above the AAA rate.

4— Including tips in earnings

Uber-Lyft-Hyman include tips as earnings. Parrott and Reich do not include tips because they are not paid by the TNCs and are therefore not relevant to determining if drivers earn the equivalent of Seattle's minimum wage. Further, for employees, tips cannot be considered earnings for determining minimum wage compliance under State or City law. (RCW 49.46.020; SMC 14.19.010.) State law is clear on this point: “[t]ips and service charges paid to an employee are in addition to, and may not count towards, the employee's hourly minimum wage.” (RCW 49.46.020).

5— The industry's business model

²⁷ This is comparable to how most employers reimburse employees for the private use of their vehicle. For example, if an employee drives her personal vehicle for a business purpose, most employers reimburse the employee at the IRS rate of 57.5 cents per mile. That rate includes an allowance for expenses, like personal insurance, that the employee would have incurred irrespective of the business trip. The City of Seattle uses the same rate for its vendors.

Parrott and Reich show that the industry’s business model relies on using drivers’ vehicle investments and working time inefficiently. This model keeps driver pay low by placing too many TNC vehicles on the road, which also adds to congestion and emissions. Indeed, previous Uber studies (such as by Uber’s Chief Economist Jonathan Hall and co-authors) show that pay as high as Uber-Lyft-Hyman posit would attract many more drivers into Uber’s system. This influx would reduce all drivers’ rides per hour and therefore pay per hour. Uber-Lyft-Hyman ignore these issues.

Cornell Seattle Uber/Lyft Project Report: Platform Driving in Seattle ([Full Report](#))

Institute for Workplace Studies and Cornell University

Louis Hyman, PhD; Erica L. Groshen, PhD; Adam Seth Litwin, PhD; Martin T. Wells, PhD; Kwelina P. Thompson; Kyrilo Chernyshov

July 6, 2020

Platform Driving in Seattle: In Brief

Our Charge

Our charge sounded relatively simple: use very fine-grained data collected by transportation network companies (TNCs) Uber and Lyft to determine how much drivers on these platforms earn per hour in the City of Seattle. We would receive the complete data for all the drivers in Seattle. In principle, our results should be more dependable than those that rely instead on the published averages of the platforms. They should also be more credible than studies based on survey data, because the design of those questionnaires and the driver sampling strategies generally fail to meet the standards for sound organizational research. With this data, we wanted to provide independent third-party analysis for a crucial question of our time: what do platform drivers earn?

This summary begins by providing the earnings estimates that emerged from our data. Readers will see wide variation in earnings estimates for two reasons: (1) we compare implications of different assumptions, and (2) earnings vary widely among drivers. We find that our estimates are very sensitive to various assumptions that we—or anyone working with the data—must make. In addition, unlike a normal service-sector job, where people doing the same work earn roughly the same amount, platform drivers show extraordinary earnings variation. In our data, during the same week and using the same assumptions, we found some drivers making less than \$10/hour while others earned more than \$40 dollars/hour. A single number of central tendency (be it the median, mean, or something else) will never represent the range of experiences of TNC drivers. In the larger report, we detail all the factors that made our seemingly simple task far more complicated than one might expect.

We also want to be very clear about what readers will *not* find in this report. Our role is not to serve as defenders or apologists for the TNCs, whose data we analyze here and who, as is typical for university research, paid for the costs of this study (though none of the researchers themselves received any additional compensation, there are additional costs to carrying out research). Accumulated research to date suggests that their business model may be inimical to worker interests, owing to the power TNCs wield in both the labor market and the rides market. Since we were not asked to triangulate our

quantitative estimates with worker interviews or surveys, we cannot and do not address those findings here. In providing our quantitative estimates, at minimum, we ask that they *not be taken out of context* by the City of Seattle or others. Furthermore, these findings cannot be generalized to other cities, domestically or internationally. If our findings raise questions about drivers' earnings in other places, the answer is more research rather than speculative leaps. We can also go a step further, for those who might misinterpret our findings as suggesting that all platform drivers are highly compensated. That is not the case. Our various estimates suggest that many drivers earn below the minimum wage. This finding supports the establishment of an earnings floor for rideshare drivers, if not broader policies that would increase drivers' bargaining power vis-à-vis the TNCs.

At the same time, neither is it our role to be critical of TNCs. We are not committed to showing that the ride-share industry is uniquely pernicious in underpaying Seattle workers. Our benchmarking data, for instance, show that many typical service economy jobs—with the protections of employment law—also pay workers below what many might consider a living wage. And, of course, many drivers earn far more through platform driving than they would earn in these other kinds of work.

Our goal is to accurately and truthfully analyze the patterns in the data, using different assumptions that a reasonable reader—whether a critic or defender—would find appropriate. In this study, we present many different ways to approach earnings among drivers, so that informed readers can come to their own conclusions.

Our Key Findings

With those caveats, our *median* hourly wage estimates for Uber and Lyft drivers differ based on different assumptions.

For instance, if you consider only full-time drivers, and count all their wait time, then hourly earnings have a median of \$17.40/hour. Even with the most capacious definition of full-time, however, only 15% of drivers are full-time, so this model, while true for that 15%, is not valid for the rest of the drivers.

Consider, instead, all the drivers, and count only their time preceding a ride, and the median hourly earnings rise to \$23.25/hour. We highlight this number in the report because this number, \$23.25, describes the median driver, who drives about 10 hours per week—not full-time. If you want to understand the average driver, \$23.25 is the hourly earnings number you want to use.

These numbers are not a range. One number is not true and the other false. Instead they are the result of different assumptions, which in turn are driven by different questions.

For both numbers, the medians imply that half of drivers earn more than that number, and half earn less. (And as we will see below, significant numbers of drivers have hourly earnings quite different than the medians.)

As noted above, what strikes us about these estimates how widely they vary. With just simple changes in the underlying assumptions, our estimates of hourly earnings increase by almost 35 percent. The lower estimate of \$17.40/hour reflects the following assumptions:

- All drivers are full-time.
- All wait time logged into the app counts costs as paid work, whether followed by a ride

- Drivers incur both marginal and fixed
- Costs include forgone returns to capital or not.

By contrast, the higher estimate of \$23.25/hour depends on these assumptions:

- Drivers may be casual, committed casual, part-time, or full-time.
- Wait time only counts as paid work when followed by a ride
- Drivers incur only marginal costs.
- Costs exclude forgone returns to capital.

In the report, to explain these differences, we unpack these assumptions to show what they mean. In different contexts, depending on the specific research or policy question one is posing, both results are valid.

Why So Much Variation?

Most people know how to calculate an hourly wage. Sum a driver's total earnings. Add up the total number of hours they worked. Divide total earnings by total hours. Problem solved.

If only it were always that easy. For many jobs, it is, but not for TNC drivers. At least conceptually, we can still begin with *hours worked* and *total earnings*. But, even with those numbers in hand, we must still account for the *costs of doing business*, namely those arising from the purchase, operation, and maintenance of a vehicle. For example, costs are complicated by the fact that while they reduce gross earnings, some of that reduction will be offset by tax deductions. The tax treatment for independent contractors is not the same as that for employees, so if we begin to consider taxes, we need to do it for our employee benchmarking as well. If that were not enough, calculating any one of these four quantities individually for a given worker relies on a wide-range of assumptions.

Hours Worked

For conventional jobs, there is little argument over when work begins and ends. But for TNC drivers, reasonable people can disagree. Does work begin when a driver logs into the app and end when they log out? And, what if they are logged into two apps at once waiting to be offered a fare? What if they are logged into one app while already driving a passenger in the other? Alternatively, should pay start on the driver's way to pick up a fare? Should it start when the driver arrives, and the passenger gets in the car to begin their journey?

For our study, just to make it even more complicated, the City of Seattle wanted to know the hourly earnings of Seattle drivers. Yet important parts of the Seattle metro area are outside the city limits, like the airport.

Total Earnings

Relative to hours worked, earnings are straightforward. At the end of each work week, drivers receive a direct deposit from one or both TNCs, after the platforms take their cut. The itemization includes two categories—gross earnings and tips, the latter of which are passed through the app for the convenience of all parties.

Because the TNCs consider their drivers to be independent contractors rather than employees (a hugely controversial designation increasingly subject to legislative and judicial scrutiny), Uber and Lyft do *not* deduct income taxes from these gross earnings. Instead, drivers receive a Form 1099 at the end of the year and must pay the taxes on their own, including what some refer to as the "self-employment tax."

This is essentially the portion of social security and Medicare contributions paid by employers in a conventional employment arrangement. At the same time, because drivers are independent contractors, they have access to tax deductions that regular employees cannot take.

Our study does not address taxes, which is an important limitation that we hope to look at in the future.

Costs of Doing Business

In general, conventional employees need not consider costs of doing business because those are borne by their employer. TNC drivers, though, do have costs of doing business.

But, which costs count, and how should we compute them? In the body of the report, we detail how we attempted to answer this double-barreled question correctly and fairly. Reasonable people can disagree over whether we accomplished this. Much of the difference comes down to how we believe drivers approach their work for Uber and Lyft. Is it a livelihood, or a “side hustle?” Once again, without triangulating our quantitative analysis with interviews, we cannot know with certainty. Unfortunately, the survey estimates we have seen to date are not reliable for this purpose because their samples are not representative.

For TNC drivers, “marginal costs” are those incurred solely by virtue of driving for-hire. On the one hand, to the extent one that TNC drivers use their own car to “pick up a few hours here and there,” it seems sensible to include only marginal costs as their costs of doing business. After all, the driver bought the car to use in his or her daily life. That said, these drivers do have additional costs for depreciation and maintenance that they would not incur if they were not driving for Uber or Lyft. We include these costs for all drivers.

On the other hand, certainly some drivers essentially drive full-time for one or both TNCs. Perhaps these drivers purchased their car for the express purpose of for-hire passenger transport. In fact, maybe they would not own a car or drive at all but for their work as an Uber or Lyft driver. These “fixed costs,” once borne, are independent of how many hours a driver drives. For full-time drivers, it makes sense to adopt a more inclusive measure of costs.

The costs of doing business, however, are not just expenses, but anticipated returns to investment—the returns to capital. This question is even more complicated. Drivers, like regular workers, supply their labor, for which they are paid a wage or salary. But TNC drivers, unlike normal workers, also “rent out” their own assets—namely, their own personal vehicle. In principle, this amount is already “baked in” to their weekly payment from the company, which is paying for both the drivers’ labor and car. The cost of the “returns to capital,” some fraction of which may go to the platform, for the driver are in excess of simply the day-to-day cost of the car. A good faith estimate of earnings per hour requires “netting out” the rental cost of capital from gross earnings. For full-time drivers, our cost model includes the cost of capital because rental companies will charge for their capital costs. For non-full-time drivers, we make no adjustment for capital returns in most of our calculations, but provide, in the full report, an easy way for readers to make this adjustment.

Driver Types or Driver Engagement

What the above approach to costing suggests is that our data could and should inform us on how “engaged” drivers are with each of the platforms. That is, how much do they drive for the TNCs? Once again, our data are uniquely equipped to answer this question, since they tell us the total amount of

hours worked by a given driver *across both* platforms. Some drivers work relatively few hours per week, which would make us comfortable treating them as more casually engaged, and thus, not expecting or entitled to “full costing.” Other drivers, though, appear to be engaged in full-time work, as seen by the number of hours driven they log. For these drivers, a more comprehensive measure of costs seems fair and appropriate.

Drivers have a wide range of experiences. For different kinds of drivers, different cost models are more appropriate.

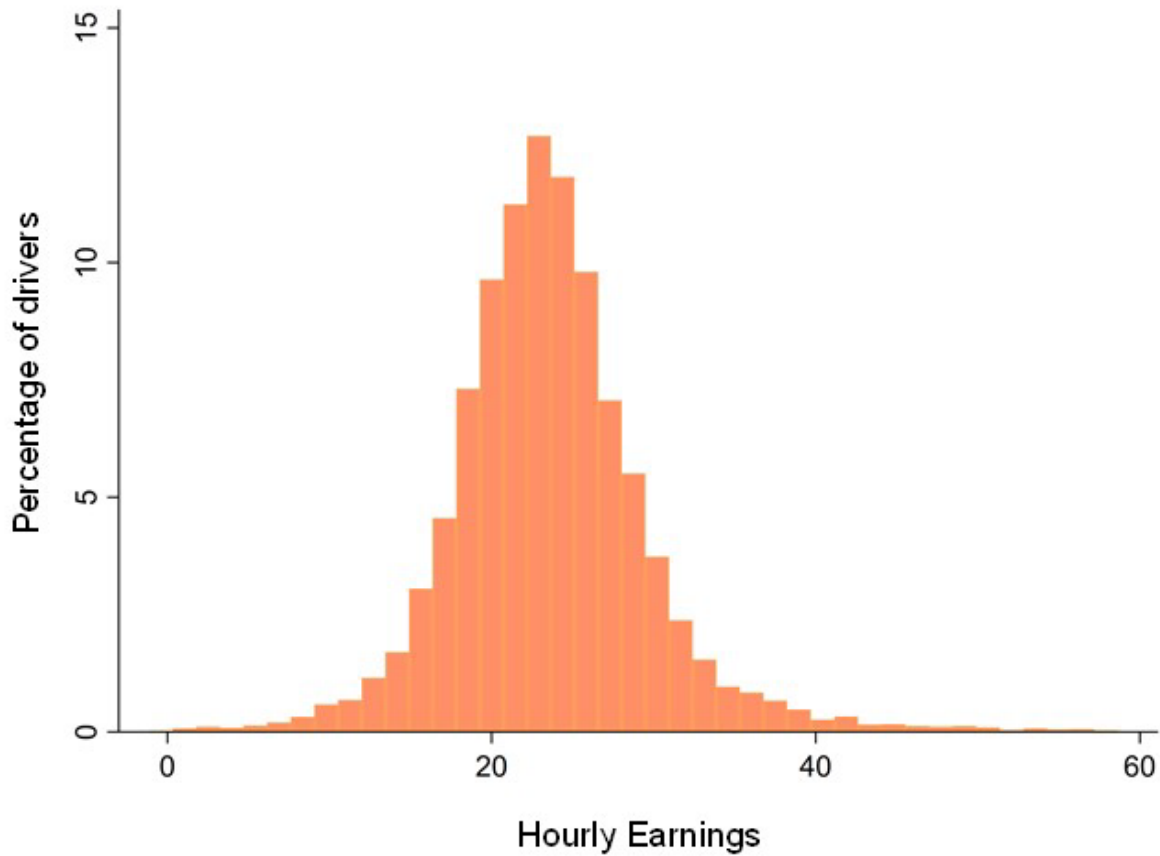
The Variation Is As Important As the Average

In a normal service economy job, at Starbucks, Wal-Mart or McDonald's, the variation in worker earnings is very low. For platform drivers, the opposite is true.

Throughout the full report, we provide graphs known as histograms that show the percentage of drivers earning different amounts per hour. Consider below two histograms from the end of the report., Chart 6.7 and Chart 6.8. These histograms have some assumptions baked into them: only driver wait time that precedes a ride should be considered work time and that costs are limited to marginal costs. The point here is not about the assumptions, or even the average. The story here is about the spread. The way that histograms work is that the higher the bars are, the higher the percentage of drivers who earn that much per hour. Most of the bar height is in the middle, but there are a lot of bars further out.

Here in Chart 6.7, for instance, right in the middle of the curve, is the \$23.25 median that we discussed earlier. Simply eyeballing it, you can see that about 13% of drivers make about the median. So the vast majority of drivers (about 87%) earn either more or less than \$23.25. Also notice how some drivers are making more than \$40 per hour, and some are making less than \$10 per hour. That variation is very different from a normal job. Working at a Starbucks cash register, you will not earn \$9 an hour while the person next to you earns \$41 an hour.

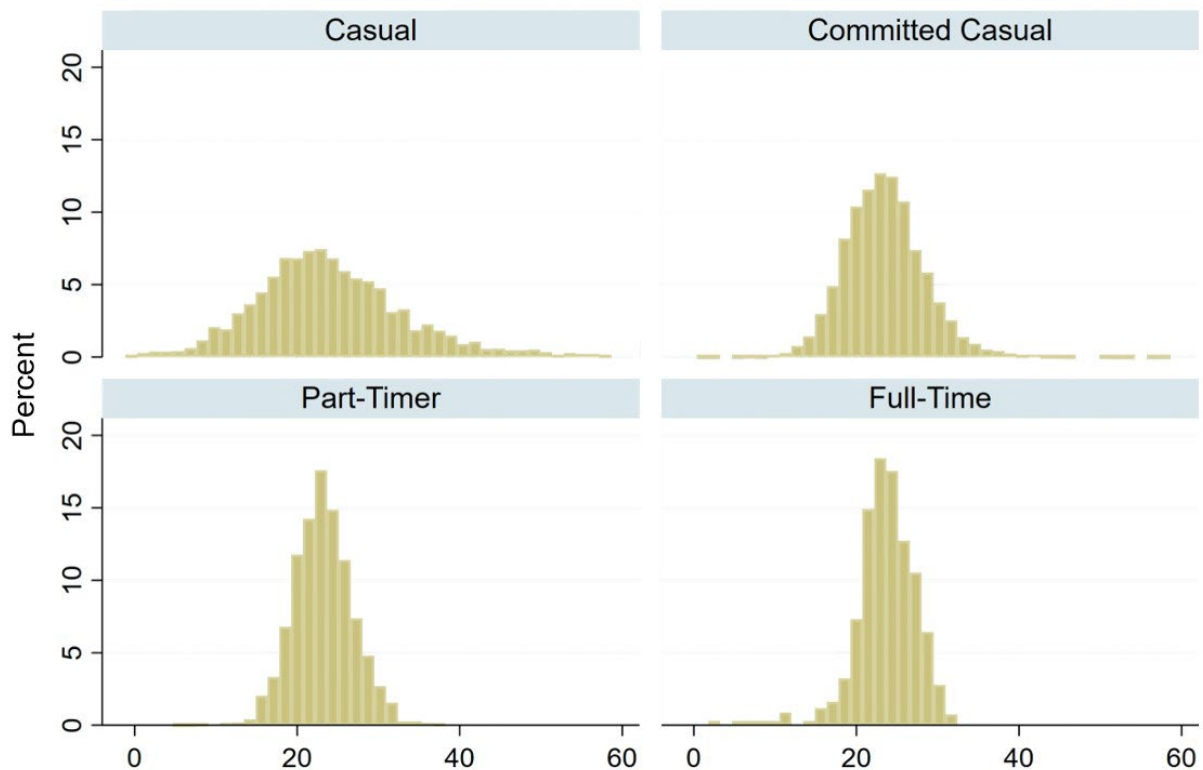
Chart 6.7: Distribution of net hourly earnings (P1 + P2 + P3, net rate)



Now consider Chart 6.8, also from the end of the report. It makes the same histogram again, but sorts it by different kinds of drivers, who are defined by the number of hours they spend on the platform. That grouping of drivers, again, depends on some assumptions. The story here is not just the medians of those different driver types (which don't vary too much), but how different the variation is by driver type. The shapes of those histograms are shockingly different. Notice how spread out the casual drivers are in comparison to the drivers who spend more time on the platform.

One reason why the full report is so long is that we believed it was important to have charts like these that reveal the variety of driver experiences, rather than one simple number. Such complexity makes for worse soundbites, but is necessary to understand driver earnings.

Chart 6.8: Net hourly earnings distribution by type



Where Does This Leave Us?

Our analysis seeks to inform diverse stakeholders whom we expect to disagree with each other on what are reasonable assumptions when calculating the earnings of TNC drivers. We encourage readers and other users of our estimates to seriously consider which assumptions best fit the specific questions they seek to answer. That said, a few specific policy concerns jump out to us:

- Under the worst-case scenario for drivers—the lower estimate above—34% of full-time drivers earn less than the minimum wage. The question for platforms and policymakers is not whether some drivers make less than a minimum wage (in all our models, some do), but what is the best way to compute costs and time. However, that only changes the specific calculation, not the overall justification for a policy-prescribed wage floor. That wage floor should rely on shared definitions between government, drivers, and platforms. Determining those definitions and the associated data will require independent analysis.
- Depending on how one thinks about driver wait time, which is further complicated by the practice of multi-apping, one can reasonably argue that waiting time goes uncompensated.

Driver advocates argue that time should all be considered work, while critics retort that unless that time leads to a ride it is not really work. A fitting answer to this question would require more data and more research.

- Somewhat counterintuitively, hourly earnings are actually *lower* for full-time drivers than they are for casual, committed casual, and part-time drivers.
 - Looking under the hood, it turns out the difference stems entirely from costing assumptions. Yet these “assumptions” are not arbitrary. As drivers commit more hours to platform driving, they must inevitably begin to consider more than marginal costs. Fixed costs and returns to capital accounted for in the fixed cost model drive down hourly earnings.
 - The incorporation of these additional costs may explain the relatively few full-time platform drivers in Seattle. Even using the most expansive definition of full-time, 32 hours a week and including all wait time, only 15% of drivers would be included. It could be that platform driving simply doesn’t make good sense once you include fixed costs, which the more you drive, become a reasonable inclusion.
 - Policymakers and TNCs may want to address this anomaly, which only became apparent with the analysis afforded by the fine-grained administrative data. Again, this finding could also be a result of restricting our analysis to the City of Seattle rather than the larger metro area. More research should be conducted to find out whether this is a result of that spatial restriction or an accurate picture of drivers.
- Since TNC drivers work as independent contractors, they receive no employer-provided benefits. Aside from missing out on tax-advantaged health insurance and retirement savings (which are, it must be pointed out, also generally absent for comparable service economy work), they have no access to sick leave, unemployment insurance, or workers’ compensation. Likewise, they are generally left unprotected by labor and employment regulations, including wage and hour laws (though, again, many service sectors workers do not enjoy their full labor rights either). At minimum, this implies that TNC drivers’ wages should actually be a bit more than otherwise comparable employed people to account for this difference. More importantly, it suggests that companies like Uber and Lyft should either pay a larger share of the state’s social welfare bill and perhaps should advocate for increased taxes in exchange for disconnecting crucial social welfare benefits from employment altogether. Or, alternatively, policymakers may find a new way to address these needs outside of traditional structures, perhaps through a portable benefits model. In the end, however, fairness suggests that drivers need the same kind of security afforded to other workers—if not more.

March 21, 2023 MN HOUSE LABOR AND INDUSTRY FINANCE POLICY COMMITTEE
Public hearing for establishing protections for transportation network company drivers
COMMENTS OF UBER TECHNOLOGIES, INC.²⁸

BEFORE THE JUDICIARY FINANCE AND CIVIL LAW COMMITTEE

Public hearing for establishing protections

Public Hearing: March 21, 2023 for

transportation network company drivers

COMMENTS OF UBER TECHNOLOGIES, INC.

Freddi Goldstein 175 Greenwich St.
New York, NY 10001

Email: freddi@uber.com

Uber welcomes a conversation with the Judiciary Finance and Civil Law Committee on economics and driver pay in the Transportation Network Company (“TNC”) and Delivery Network Company (“DNC”) industries. We are committed to working with drivers and legislators to ensure Minnesota continues to enjoy vibrant rideshare and app-based delivery industries that support drivers, residents and visitors.

Rideshare and delivery services, including Uber and the Minnesotans who have become drivers using Uber technology, have significantly increased consumer choice in recent years and have brought important benefits to historically underserved areas. Since 2012, Uber’s technological innovations and the efforts of new drivers have brought noteworthy benefits, while also increasing economic opportunities for people who want to become drivers. Now, as Minnesota continues to recover from the COVID-19 pandemic, TNCs and DNCs are playing a substantial role in helping all of our communities rebound. Still, the pandemic has left a considerable mark on the industry and continues to have an impact on industry dynamics. This Committee should take those into account as it considers regulatory changes.

Driver Pay, Resulting Rider Costs & Loss of Work

It should be understood in no uncertain terms: if passed in its current form, HF 2369 would make Minneapolis the most expensive city for rideshare and app-based food delivery in the entire country. For example, taking an Uber ride in Minneapolis would be about 50 percent more expensive than the same trip in New York City - where, unlike in Minnesota, drivers are required to purchase their own commercial insurance policies.

Based on the pay standards and reimbursement rates set out in HF 2369, we estimate that the cost of

²⁸ [HF 2369 Comments \(mn.gov\)](#)

these services will increase more than 2.5x on average and more than 4x on some trips. For DNC deliveries, we estimate the delivery fee the customer pays would have to increase by between \$9 and \$14 per delivery.

To put a finer point on it, under this bill, a 10-mile Uber ride between Minneapolis and St. Paul lasting 15 minutes would cost \$39.60 - if Uber collected nothing.

With such a steep increase in costs, it can be expected that even in the best-case-scenario, we will see a decline in demand for these services. Our calculations show a decrease in rideshare trips by roughly 40-50% in the short run, and by 65%-75% in the long run. This reduced demand means less work for drivers - we estimate that (assuming average hours per worker remain constant) we can reasonably anticipate approximately 4,000-5,000 drivers leaving the platform in the short run, and around 7,000 drivers leaving the platform in the long run. On the delivery side, we estimate a reduction in volume by *at least* 30%-50% of deliveries resulting in *at least* 2,000-3,000 couriers leaving the platform.

It stands to reason that with the steep increase in costs, demand will naturally decrease in lower-income communities, leading to decreased transportation options and food access in less dense/less well-connected areas - not to mention the impact on restaurants receiving fewer orders. We estimate that restaurants in Minnesota would lose out on at least \$6 million to \$9 million in order revenue over the course of one quarter (assuming no substitution through pickups or other methods).

Further, with such a loss in both supply and demand, we will unfortunately have no choice but to stop operating entirely in some parts of the state. In the areas where rideshare and delivery continues, a reduction of this scale would undoubtedly have implications for reliability. Not only would consumers be paying much higher prices for rides and deliveries – wait times will likely also increase due to the reduction in network density.

Deactivation Regulation

The Uber platform thrives because of its strong network of drivers and riders. We know it is in our best interest to help drivers avoid being deactivated and stay on the platform, which is why we work with drivers whenever possible to keep their accounts online, including reaching out when an account becomes at risk. The requirements laid out in HF 2369, however, are operationally impossible and unsound from a safety and victims'-rights perspective.

Requiring a hearing to be held within 10 days of a TNC being made aware of an alleged violation and mandating that the hearing happen prior to the deactivation is operationally impossible. It will also severely limit our ability to take action on bad actors and pose a greater threat to platform users. HF 2369 would take away our ability to act on non-safety-related deactivations, including serious concerns like ID check failures, fraudulent documents and fraudulent activities, among others.

Further, even drivers removed for physical or sexual assaults could appeal to a third-party. This is particularly concerning because the bill places the burden on companies to prove an incident “more

likely than not,” which unavoidably places a greater burden on victims. As a result, we would be put in a situation where if a driver is deactivated for physical or sexual assault or harassment, we have to either reach out to the victim to get them to testify, or risk letting the driver back onto the platform, if we choose to respect a survivor’s privacy and avoid unnecessary retraumatization.

Serious incidents like sexual assault and harassment should be removed as categories for third party appeals. No other state in the country has a mandated process whereby drivers can appeal deactivations for physical and sexual assault to a third party, following which a company can be *required* to put them back on the platform.

Insurance Requirements

While the bill is light on specifics, the position of requiring workers’ compensation insurance for passenger and delivery trips is untenable. It puts Minnesota out-of-step with the rest of the country. Only one other state requires TNCs to maintain workers’ compensation insurance on behalf of TNC drivers (and even then, only once a trip has been accepted), and no other state requires it for delivery drivers.

The point of our platform is that people can turn it on at any time - whether they intend to actually accept jobs or are just getting a sense of the current demand.

When a driver has the app on but is not actually engaged (i.e., accepting jobs, en route to a pick up, with a passenger/package in the car), they are no different than any other driver on the road. Requiring rideshare companies to provide workers’ compensation insurance coverage for drivers who are not actively working on the platform is both antithetical to the purpose of the coverage (by statutory definition it only applies to injuries within the scope of employment) and creates an unintended incentive (since a driver would be incentivized to turn the app on to benefit from the coverage without any intent of actually accepting trips).

Setting that aside, workers’ compensation insurance is not the appropriate first-party injury protection insurance for independent contractor drivers due to its inherent statutory limitations. Instead, occupational accident insurance has been proven to provide benefits akin to workers’ compensation while retaining the flexibility to design a program specific to the wants and needs of independent contractors.

The Path Forward

We care deeply about our work in Minnesota and know that drivers are central to our success as a platform.

We understand that drivers want predictable pay, greater pay transparency, and a process on deactivation appeals, among other things.

Since December, we have been in active conversations with the [Minnesota Rideshare Drivers Association \(MRDA\)](#) to deliver on these things in a way that also protects drivers’ status as independent contractors - something drivers across the country say is critical to why they do this work.

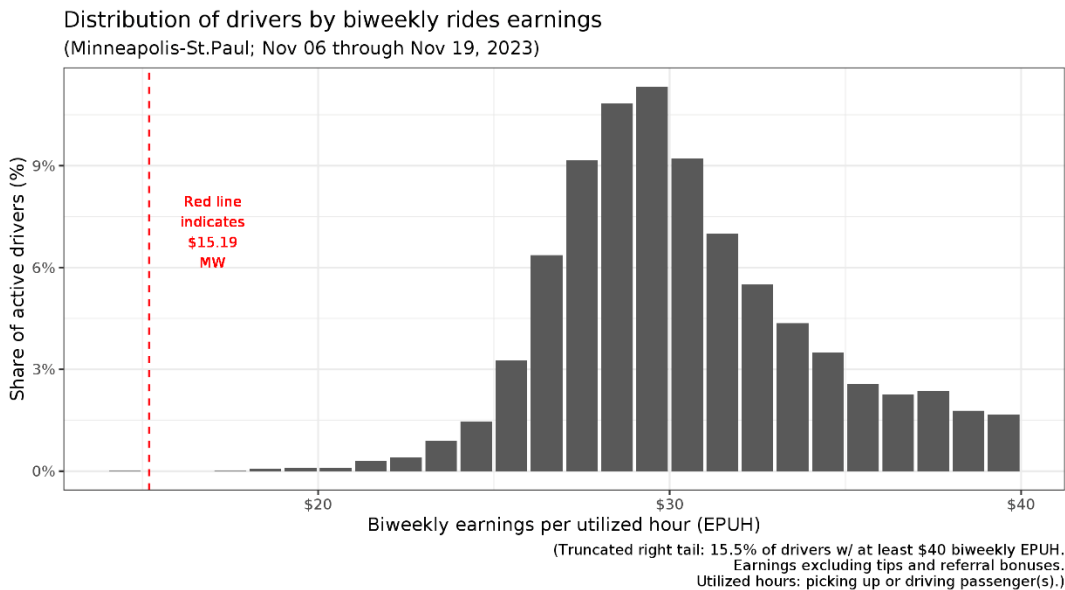
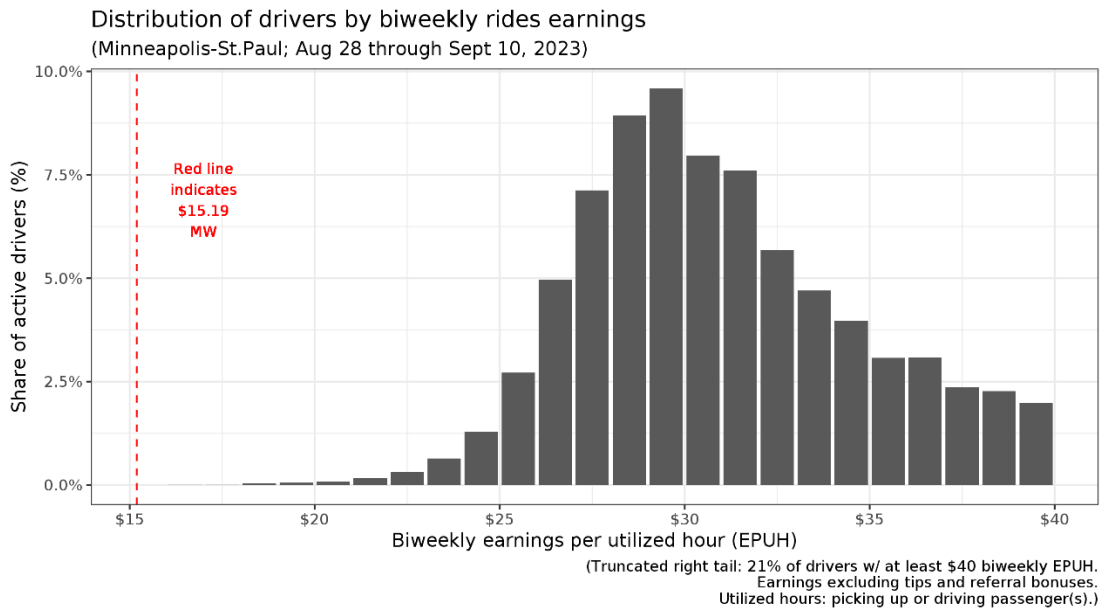
With this testimony, we respectfully ask that the Committee reconsider moving forward with HF 2369, recognizing it creates a number of unintended consequences. Instead, we ask for the opportunity to come to an agreement with rideshare and delivery drivers. It is our strong belief that we can work together on a solution that is fair to drivers and consumers, without putting the future of rideshare and app-based food delivery in Minnesota at risk. Thank you for your time and consideration.

Uber Sample Distributions of Bi-Weekly* Driver Earnings - Provided to the City of Minneapolis

Sample One: 8/28/23 - 9/10/23

Sample Two: 10/6/23 - 11/19/23

**Bi-Weekly Earnings are calculated per utilized hours (Picking up or dropping off passenger(s))*



March 21, 2023 MN HOUSE LABOR AND INDUSTRY FINANCE POLICY COMMITTEE
Public hearing for establishing protections for transportation network company drivers
Press Release: Minnesota Rideshare Drivers Association (MNRDA.org)²⁹



MINNESOTA
RIDESHARE DRIVERS ASSOC.

Minnesota Rideshare Drivers Association (MNRDA.org) Press Release

MRDA was founded in 2020 during the Covid 19 pandemic and registered with the state in late 2022. The organization is created and led by Rideshare drivers and community leaders. Majority of our members are full time immigrant drivers. Flexibility of the independent driver classification is the main reason that attracts these immigrants. Managing their family affairs and working when suitable is an added value to their life. Ability to travel back home (mostly Africa, Asia and Eastern Europe) and spend their desired time in their home countries while not to go back to work when they come back something they cannot get from normal employment.

MNRDA supports the intent of the bill (House HF 2369 and Senate SF 2319) but against most of the contents of the bill. Such as: The bill

1. Does not pass the litmus test of “Independent Contractor” laws. Our highest priority is the flexibility and freedom of driving as their time permits.
2. As written, the bill will quadruple the cost of services to riders. This will reduce riders (middle and lower economic class) substantially. In return we will have no business
3. There are not enough protections for the drivers.

Most of our drivers work 7 days a week more than 10 hours a day to make ends meet. We want an amicable bill for both riders and drivers. Uber and Lyft make their profit by connecting the driver and the rider. The two major stake holders are drivers and customers. We propose a commonsense solution that can make the driver work 5 days to make livable income while customers can afford the services.

Current Situation	Proposed Bill	MNRDA Solution
1. Minimum Per Mile= \$0.83 2. Minimum Per Minute = \$ 0.17 Cancellation Fee = \$5.00	Minimum Per Mile = \$2.55 Minimum Per Minute = \$0.65 Cancellation Fee = \$10 Per Mile Maintenance = \$0.30 <u>\$1.25 per mile and \$.20 cents per minute if a driver must drive more than five miles to pick up. driver must drive more than five</u>	Minimum Per Mile= \$1.50 Minimum Per Minute= \$0.34 Cancellation Fee = \$7.50

²⁹ [MNRDA Press Release](#)

	<u>miles to pick up.</u> Trips further than 5 Miles = additional Per Mile = \$1.20	
No Occupational Insurance	Not Clear	1M Occupational Insurance to cover if customer hurt the driver
No Clear driver grievance process when de-activated	Not Clear	1. Establish a deactivation appeals process that are clearly defined, and drivers can contest. 2. Locally accessible venue to process driver concerns that are different than Greenlight hubs.
Independent Contractor is now Clear	Driver becomes a TNC employee when the company pays their gas and vehicle maintenance, ECT	We need to earn more and cover our own expense as independent contractor
SUV Service years= 5 Years	Not Included	12 Years

MNRDA 612-594-4044

Email: Awil@MNRDA.ORG

Web: mnrda.org

