To: Members of the Joint Committee on Labor

From: Katie Franger, Policy Manager at Uber Technologies

Date: January 13, 2026

Good afternoon Chairpersons and Members of the Committee; my name is Katie Franger, Policy Manager for Uber. I am here today to express strong opposition to the proposed amendment to **LD 877**.

While this proposal is framed as a benefit to drivers, its rigid "trip-level" mandate ignores the complex mechanics of the two-sided transportation marketplace. If enacted, this bill will decrease efficiency, eliminate transparency features like upfront pricing, and ultimately reduce the very earning opportunities it seeks to protect.

Let's dig into why trip-level standards destabilize the marketplace. The proposed amendment mandates a fixed minimum for every individual trip. This "one-size-fits-all" approach prevents prices from adjusting in real time based on actual supply and demand. Flexible pricing is the engine that keeps the marketplace running. It raises fares where drivers are needed and lowers them where there is a surplus. By stripping away pricing flexibility, Maine will see drivers crowding a few of the busier areas while riders in less-dense or rural neighborhoods will struggle to find a ride at all.

Rigid standards also make it impossible to set lower prices during off-peak hours. When prices are artificially high during low-demand periods, riders stop requesting trips, leaving drivers sitting idle and earning nothing.

If this proposal were to be implemented, drivers would lose access to one of their most requested features: upfront pricing, which allows them to see earnings and destinations before accepting a trip. LD 877 makes this transparency unsustainable. Mostly because Uber cannot know how long a trip will take with the level of certainty needed to provide an upfront fare.

Additionally, when trip-level standards are mandated, drivers begin to "cherry-pick" only the most convenient or highest-paying trips. We have seen this play out before. In California, when upfront pricing was paired with trip-level earning minimums, acceptance rates plummeted and the system broke down. Washington state's trip-level minimums have forced platforms to remove upfront pricing entirely to prevent marketplace unraveling. For the rider, "cherry-picking" means longer wait times, frequent cancellations, and a total loss of reliability.

By forcing a trip-level minimum, LD 877 ignores the reality of how drivers actually earn. It trades long-term marketplace health and driver transparency for a rigid pricing structure that has failed in other jurisdictions. We urge the Committee to consider a bi-weekly aggregate standard that protects earnings without breaking the system that thousands of Maine citizens rely on every day.

I respectfully urge the Committee to vote "Ought Not to Pass" on LD 877.

Thank you for your consideration.

Katie Franger
Policy Manager
Uber Technologies

****Follow up information based on requests from the public hearing****

Rep. Roeder: When surge pricing exceeds base pricing how is the increase split between the driver and Uber? How many full time vs. part time drivers in Maine?

The dynamic pricing model is designed to act as a relief valve for the marketplace. The core mechanics focus on balancing the supply (drivers) and demand (riders) in real-time. Oftentimes a "surge" goes into effect during times of stress or crisis; in that moment drivers choose to make the decision to put themselves in those positions or not. And when they choose to do so, they are compensated with higher rider rates. So drivers get more money, and riders have to decide if it's worth it to them.

No U.S. state has ever permanently banned surge or dynamic pricing, because the result is always the same: fewer rides, longer waits, and lower driver pay.

You can read more about the mechanics here: The effect of Uber's surge pricing

Rep. Geiger: Should drivers be paid a set percentage of the ride fee?

The portion of the rider payment that goes to Uber pays for all costs to build, operate, and improve our apps and platform, such as payment processing fees, background checks, marketing, R&D, and customer support. By far the largest cost is commercial insurance. Generally speaking, for every dollar in Gross Bookings per trip, Uber's actual profits are just a few cents — but at our scale, those cents add up.

Uber is an open marketplace, which means that prices tend to reflect broader economic conditions as well as the balance of supply and demand for rides. After the pandemic, driver shortages and widespread inflation drove prices on Uber up globally. Third-party taxes and fees (like sales tax, city fees, and airport fees) have increased more than 40% in the last three years as well.

Even as prices have gone up, the portion going to Uber, normalized for any accounting changes, has remained relatively flat — and in recent quarters has been trending slightly down. In other words, while prices have gone up quite a bit, the vast majority of total fares have continued to go where they belong: into drivers' pockets.

You can read more about how payments are divided between the driver and the platform here: Understanding Uber's Share of Driver Earnings

Rep. Archer: Difference between taxi drivers and Uber drivers? Why minimum wages for one and not the other?

We are conducting more analysis on this based on Maine landscape and will need more time to fully respond.

Senator Tipping: Request for general information: number of rides in Maine, number of riders, number of drivers, wages/compensation and ride pricing. What percentage of the ride fee goes to the app vs. the driver? Any evidence of driver compensation decreasing with the types of changes proposed in LD 877?

As a public company, we are not permitted to go into a lot of detail here, but I can give some generalities.

- Trip requests in Maine in 2025 exceeded 2 million
- There were over 300,000 Maine residents that used an Uber in 2025
- Average amount of time Maine drivers spend online is 13 hours per week
- Approximately 87% drivers work less than 25 hours per week on the platform

The data shows that over-regulated markets are outliers where rideshare costs are well above what the local cost of living would suggest. A closer look shows why: fees, insurance mandates, and pay standards are stacking costs from every direction. Read more here: A National Trend of Driving Up Rideshare Prices and Limiting Access and here: The Impact of Seattle's Driver and Courier Pay Regulations

Representative Sato: What is the growth or trend of drivers of the last 5 years? Are there urban state vs. rural state pricing models? 17th

Since the pandemic, there has been a slow but steady increase in drivers joining the app to work part time.