



January 13, 2026

The Honorable Michael Tipping
Chair
Committee on Labor
3 State House Station
Augusta, Maine 04333

The Honorable Amy Roeder
Chair
Committee on Labor
2 State House Station
Augusta, ME 04333

RE: Oppose LD 877 - "An Act to Establish Minimum Compensation for Rideshare Drivers"

Dear Chairs Tipping and Roeder, and members of the Committee:

On behalf of Chamber of Progress – a tech industry association supporting public policies to build a more inclusive society in which all people benefit from technological advancements – I respectfully urge you to oppose LD 877, which risks raising prices for Maine riders, reducing earning opportunities for drivers, and threatening rideshare access in the rural communities that need it most.

We share the bill's goal of supporting rideshare drivers, who provide an essential service for Maine residents. However, evidence from Seattle, Massachusetts, and New York City tells a consistent and cautionary story: rigid minimum pay mandates often backfire, hurting the very people they intend to help.

Minimum pay standards have raised prices for riders and reduced earnings for drivers

Evidence from cities and states that have adopted rigid minimum pay standards consistently shows higher costs for riders, lower earnings for drivers, and worse outcomes for communities that rely most on rideshare.

Seattle offers the starker warning. After implementing its "Fare Share" ordinance in 2020, Seattle now has the highest Uber fares in the United States, averaging \$60 for a 30-minute ride.¹ Fares have increased 50-60% compared to pre-pandemic levels.² The

¹ Alex Didion. "Seattle is most expensive city in US to call Uber ride, report finds." *King5*, Jul. 21, 2025. <https://www.king5.com/article/money/seattle-most-expensive-city-uber-report/281-51931170-8181-4751-995d-722101a66627>

² Mark Harmsworth. "Why Seattle's regulations have driven up Uber and Lyft prices." *Washington Policy Center*, Jul. 21, 2025. <https://www.washingtonpolicy.org/publications/detail/why-seattles-regulations-have-driven-up-uber-and-lyft-prices>

result has not been higher driver earnings. Instead, higher fares have discouraged riders, reducing overall demand and leaving drivers with fewer trips and longer idle times, undermining the very goal of the ordinance.³

Massachusetts shows a similar pattern. After a \$32.50 per hour minimum wage for rideshare drivers took effect in 2024, experienced drivers reported working longer hours while taking home less pay.⁴ Increased competition from new drivers drawn in by guaranteed pay reduced available trips and compressed earnings, particularly for veterans who had previously relied on consistent demand.⁵ Research found that the policy reduced earnings for many of the most experienced drivers, suggesting the \$32.50 rate has functioned less as a wage floor and more as an effective earnings cap.⁶

As Maine residents face an increasingly high cost of living, any policy that raises transportation costs would hit those already struggling the hardest. Rideshare provides affordable, accessible transportation for working families, seniors, and people with disabilities – and LD 877 risks pricing out the very Mainers who depend on these services most.

LD 877 threatens the flexibility that makes rideshare work viable for many drivers

For many drivers, the ability to set their own schedule is not a perk, it's the reason they do this work. Nationwide, 36% of app-based workers also work full-time jobs, and 20% balance unpaid caregiving responsibilities, disproportionately women who depend on the ability to work around family demands.⁷

Pay standards in other jurisdictions have led platforms to implement scheduling systems to align driver supply with peak-demand periods. In New York City, many platforms shifted to scheduled, shift-based work in response to wage floors, leaving thousands on waitlists, with fewer opportunities to earn income.⁸ LD 877 jeopardizes the flexibility that makes app-based work viable for parents, students, and those balancing multiple jobs.

³ Mike Harmsworth, 2025.

⁴ Katie Johnson. "Some Uber, Lyft drivers say pay has declined since new minimum wage enacted." *Boston Globe*, Feb. 4, 2025.

<https://www.bostonglobe.com/2025/02/04/metro/uber-lyft-drivers-massachusetts-pay-cut-3250-minimum-wage/>

⁵ Sarah Betancourt and Sam Turken. "Some rideshare drivers say job's 'not worth it' since minimum pay kicked in." *GBH News*, Aug. 26, 2025.

<https://www.wgbh.org/news/local/2025-08-26/some-rideshare-drivers-say-jobs-not-worth-it-since-minimum-pay-kicked-in>

⁶ Boston Globe, Feb. 4, 2025.

⁷ PublicFirst and Flex Association. *U.S. App-Based Rideshare and Delivery Economic Impact Report*. Mar., 2024.

<https://www.flexassociation.org/wp-content/uploads/2024/03/Flex-Economic-Impact-Report-2024.pdf>

⁸ C. Jarrett Dieterle. "New York's War on the Gig Economy Will Lead to Higher Prices." *City Journal*, Oct. 23, 2025.

LD 877 locks in automatic increases that ignore real-world conditions

LD 877 not only establishes a minimum pay rate, but also hardwires automatic annual increases into statute. Beginning January 1, 2028, and on each January 1 thereafter, the bill requires the per-minute and per-mile minimums to increase by any rise in the CPI-W for the Northeast Region. This adjustment is mandatory and one-directional. When inflation rises, costs go up automatically. When inflation cools or falls, there is no mechanism in the bill for rates to come back down.

This formula has little to do with how rideshare work actually happens in Maine. The CPI-W is a broad regional consumer index, not tied to driver-specific costs like fuel, vehicle maintenance, or insurance, and it does not reflect changes in local demand or competition. As written, the bill would force higher mandated rates even in periods when drivers' costs are stable or falling, when riders are cutting back, or when platforms need flexibility to keep trips available.

LD 877 could disproportionately affect Maine's seniors and rural communities

Maine's demographics make transportation access unusually fragile. It is the nation's oldest state, with a median age of 44.8 and nearly one quarter of residents over age 65.⁹ It is also one of the most rural states, with 61 percent of residents living outside urban areas.¹⁰ In rural Maine, 36.5 percent of the population is age 60 or older, compared to 29.1 percent in urban areas.¹¹

This combination creates a unique transportation challenge. Rural, older populations require frequent access to essential services, yet public transportation systems are sparse and difficult to operate at scale. Transit options account for only about 11 percent of statewide transportation demand,¹² and gaps are most severe in rural counties. Almost three-quarters of older Mainers live in communities without a bus service making regular stops.¹³ For many, **rideshare is not a convenience, but a critical service for reaching medical care, groceries, and other essentials.**

LD 877 may unintentionally weaken that lifeline.

⁹ Maine Office of the State Economist. "2024 Population Estimates by Age, Sex, Race, and Ethnicity." Jul., 2025. <https://www.maine.gov/dafs/economist/news/jul-09-25/2024-population-estimates-age-sex-race-and-ethnicity>.

¹⁰ U.S. Census Bureau. "Life Off the Highway: A Snapshot of Rural America." Dec. 8, 2016.

https://www.census.gov/newsroom/blogs/random-samplings/2016/12/life_off_the_highway.html

¹¹ Maine Council on Aging. *Maine Healthy Aging Data Report*. May, 2025.

<https://mainecouncilonaging.org/wp-content/uploads/2025/05/ME-Healthy-Aging-Report-2025-Highlights.pdf>

¹² Adrienne Washington. "Maine's public transportation options are limited. Lawmakers would like to change that." *Portland Press Herald*, May 18, 2025.

<https://www.pressherald.com/2025/05/18/maines-public-transportation-options-are-limited-lawmakers-would-like-to-change-that/>

¹³ Fred Bever. "Public transit in rural Maine is sparse. Improving it could help the state fight climate change." Maine Public, Dec. 21, 2021.

<https://www.mainepublic.org/environment-and-outdoors/2021-12-21/public-transit-in-rural-maine-is-sparse-adding-more-could-help-the-state-fight-climate-change>

Service in thin, low-density markets – like Maine’s rural communities – depends on pricing flexibility and targeted incentives. Platforms use tools like long-pickup premiums and targeted bonuses to make “hard” trips worth a driver’s time, including trips with long deadhead driving to reach the pickup or trips that end far from the next likely fare.¹⁴ Research shows that this flexible pricing specifically benefits underserved markets where it’s often difficult to find an available driver, allowing platforms to offer higher compensation that draws drivers to areas they might otherwise avoid.¹⁵

A uniform per-mile and per-minute standard risks blunting those incentives. If the proposed law functions in practice like a wage ceiling, as has been reported in Massachusetts,¹⁶ driver pay may compress toward the required rate rather than flex upward for the trips that are hardest to serve. Even if it does not become a ceiling, a higher fixed base can still eat into the margins platforms use to fund long-pickup premiums and rural bonuses. In either case, the result could be fewer drivers willing to accept rural rides, longer pickup times, or higher prices for the riders who have the fewest alternatives.

Maine lawmakers should treat this as an avoidable risk. If LD 877 reduces the premium pay that helps make long-distance and low-density trips viable, the ripple effects would likely fall hardest on older Mainers and rural communities who already face the greatest transportation barriers.

Portable benefits offer a better path forward

Rather than imposing rigid wage mandates, Maine should consider portable benefits—a model that expands worker protections while preserving flexibility. Utah, Tennessee, and Alabama have enacted statewide portable benefits programs that allow workers to accrue health insurance, paid time off, and retirement savings across multiple platforms without sacrificing their independent contractor status.¹⁷ Pilot programs in Pennsylvania and Georgia found that roughly 75-89% of participants reported the programs were beneficial, with most using funds for paid leave and emergency savings.^{18 19} Portable benefits offer a way to strengthen worker protections without gambling on a

¹⁴ Uber. "How are Long Pickup Premiums calculated?"

<https://help.uber.com/en/driving-and-delivering/article/how-are-long-pickup-premiums-calculated?nodeId=20d33df7-7317-4f86-aa38-5db09a219c27>; Uber. "Surge Pricing." <https://www.uber.com/us/en/marketplace/pricing/surge-pricing/>

¹⁶ Knowledge at Wharton. "Frustrated by Surge Pricing? Here's How It Benefits You in the Long Run." Jan. 5, 2016. <https://knowledge.wharton.upenn.edu/article/the-unexpected-long-term-benefits-of-surge-pricing/>

¹⁸ Boston Globe, Feb. 4, 2025.

¹⁷ Utah State Legislature. *Chapter 57: Portable Benefit Plan (34-57-101-34-57-102)*. May 3, 2023.

https://le.utah.gov/xcode/Title34/Chapter57/C34-57_2023050320230503.pdf Tennessee Senate. *Public Chapter No. 131 (Senate Bill No. 1377): Voluntary Portable Benefit Act* Apr. 3, 2025. <https://legiscan.com/TN/text/SB1377/id/3204791/Tennessee-2025-SB1377-Chaptered.pdf> Legislature of Alabama. *Portable Benefits Act (S.B. 86, Enrolled)*. Apr. 1, 2025. <https://alison.legislature.state.al.us/files/pdf/SearchableInstruments/2025RS/SB86-enr.pdf>

¹⁸ DoorDash. "New Report Showcases The Promise Of Portable Benefits Savings Program For Dashers." Dec. 10, 2024. <https://about.doordash.com/en-us/news/new-report-showcases-the-promise-of-portable-benefits-savings-program-for-dashers>

¹⁹ DoorDash. "Flexible Benefits for Flexible Work: Georgia Portable Benefits Pilot Shows Path Forward for Federal Action." Nov. 13, 2025. <https://about.doordash.com/en-us/news/doordash-georgia-portable-benefits-pilot-report>

one-size-fits-all wage mandate that could undermine service in rural communities and reduce flexibility and earning opportunities for drivers.

We share the goal of ensuring that rideshare drivers can earn a fair living. But the evidence is clear: in city after city, minimum pay mandates have backfired by raising prices for riders, compressing earnings for experienced drivers, and degrading service for everyone.

For Maine, the stakes are especially high. For a senior in rural Aroostook County trying to reach a medical appointment, or a working parent in Washington County without a car, rideshare may be the only option. LD 877 risks making that option more expensive, less available, or both.

Chamber of Progress respectfully urges the Committee to oppose LD 877. We welcome the opportunity to work with the Legislature on portable benefits and other approaches that would help support workers without the unintended consequences that come with strict wage mandates.

Sincerely,

A handwritten signature in black ink, appearing to read "Brianna January".

Brianna January
Director of State & Local Government Relations, Northeast US