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Testimony of Representative Ellie Sato presenting
**LD 877, An Act to Require Transportation Network Companies to
Provide Fair Wages to Drivers**
Before the Joint Standing Committee on Labor

Senator Tipping, Representative Roeder, and esteemed members of the Joint Standing Committee on Labor. My name is Ellie Sato, and I represent House District 109, which includes part of Gorham. I'm proud to be here to present the committee amendment for my bill, **LD 877, An Act to Require Transportation Network Companies to Provide Fair Wages to Drivers**.

The committee amendment before you establishes a minimum rate of compensation for drivers of transportation network companies (TNC), which are app-based driving services that connect passengers and drivers for pre-arranged rides, such as Uber and Lyft. With the cost of living increasing, TNC drivers are barely breaking even with their current compensation rates. In many cases, they are even losing money because the cost of driving one trip is higher than the compensation they receive from the TNC. This bill aims to ensure that Mainers working for TNCs are able to receive fair compensation for their work.

This issue came to my attention when I had a conversation with a TNC driver who shared, at length, the challenges they faced working for a TNC. They spoke about their inability to pay their bills due to low compensation, and would consistently lose money on rides. After this conversation, I began to research this issue in depth, and found that this issue doesn't just hurt Maine drivers, but that it's an issue across the country. I saw story after story of drivers posting rates for rides online, sharing how the posted compensation would not even make ends meet.

States like Massachusetts, Washington state, and Minnesota have taken action on this issue that individually meets the needs of their constituency and has incorporated concerns raised by TNCs. Each state has taken a different approach: Washington state passed comprehensive

legislation in 2022¹, Minnesota in 2024², and the Massachusetts' Attorney General negotiated a settlement with Uber and Lyft, establishing a minimum wage³. Major U.S. cities have also begun tackling this issue, like in New York City this past fall.

But we are not New York City. We do not have cities like Seattle, Minneapolis, or Boston in our beautiful state. We are rural, but we still rely on TNCs to provide transportation services. For those who do not own a personal vehicle, but cannot rely on public transportation in their area, Uber and Lyft fill that gap. Oftentimes, these companies are how Mainers get home safely, without harming others on the road, after a night out. TNCs are also how many Mainers supplement their income or earn their primary source of income to be able to continue to live in our state with rising costs.

That's why I stand before you today with this committee amendment: to start a conversation about fair compensation for TNC drivers in a rural state.

This brings me to the formation of the amendment. While drafting the language, I realized quickly that this policy area is quite different in comparison to others, because of the disparity in the power dynamic between worker and employer. TNC drivers are gig workers who do not answer to a person, but to an app. An app that is run by a multi-billion dollar tech company out of Silicon Valley. In an effort to begin conversations with stakeholders, I found it equally difficult to bring either the drivers or the TNCs to the table. I have yet to find an organization here in Maine that works primarily to organize and support TNC drivers, making it difficult to ensure that drivers have a seat at the table, nor was I able to contact anyone from a TNC or someone representing a TNC until yesterday.

I provide this context to share that this language before you is a starting point. One of the goals of the committee amendment is to draw stakeholders out of the woodwork and bring them to the table, in addition to establishing minimum compensation for TNC drivers.

Therefore, instead of urging you to vote "ought to pass as amended," I urge you to support negotiations with stakeholders to get to draft legislation that works for TNCs, supports drivers, and uplifts Maine.

Thank you.

¹ <https://legiscan.com/WA/text/HB2076/id/2566717>

² <https://www.revisor.mn.gov/statutes/cite/181C/full>

³ <https://www.mass.gov/news/ag-campbell-reaches-nation-leading-settlement-with-uber-and-lyft-secures-landmark-wages-benefits-and-protections-for-drivers>