

Testimony in Support of LD 877 “An Act to Require Transportation Network Companies to Provide Fair Wages to Drivers”

James Myall, Policy Analyst

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Good Afternoon, Senator Tipping, Representative Roeder, and Members of the Joint Standing Committee on Labor. My name is James Myall and I’m a policy analyst at the Maine Center for Economic Policy. I’m testifying today in support of LD 877, “An Act to Require Transportation Network Companies to Provide Fair Wages to Drivers” because MECEP believes that all Mainers deserve fair wages for the work they do.

LD 877 would extend transportation network company drivers the same basic right that most of Maine’s workers already enjoy – the right to a minimum wage. Over the last few years, this committee has not only defended Maine’s robust minimum wage law but extended its protections to workers with disabilities and agricultural workers. MECEP believes that drivers for platforms like Uber and Lyft deserve the same guarantee of a basic standard of living as a result of their labor.

A number of other states and cities have similar standards, including Massachusetts, Minnesota, New York, and Washington. Some research shows that these efforts have been successful in increasing driver pay.¹ Even studies which find that increased pay is offset by lower reduced tips or a reduced number of rides suggest that workers have more predictable earnings and are less reliant on tips,² which is important for financial stability and mental wellbeing.

As the committee considers this legislation, I think it’s important to consider what we do and don’t know about the rideshare industry:

- Claims about typical wages can be misleading. The topline rate of pay often doesn’t consider the downtime that drivers experience between trips; nor does it adequately account for driver expenses like gas, vehicle maintenance, insurance, and taxes. Once those are accounted for, net pay declines considerably.³
- The “take rate” for the transportation network companies themselves can be extremely high – as much as 65 or 70% on an individual ride – so that while the cost of rides can feel high for the customer, much of that goes to the company instead of the driver.⁴

- Many studies taking these factors into account find rideshare drivers earning below the local minimum wage.⁵
- Some surveys of rideshare drivers have found that as a result of low earnings, the riders depend on public assistance programs like SNAP to make ends meet.⁶
- The workers in these industries are often especially vulnerable. A recent survey of Minneapolis rideshare drivers found that they were more likely to be Black immigrants in households with low incomes.⁷

All this being said, we don't have good data on the conditions of rideshare drivers in Maine, or even how many people are engaged in this work. (One national estimate suggests 2-4% of all working-aged people work for platform-based apps, but this includes other workers, such as delivery drivers).⁸ I would urge the committee to include a requirement that the transportation network companies work with the Department of Labor to share data on their drivers and the earnings per ride. Similar data-sharing arrangements have been key to evaluating the impact of minimum pay standards in places like New York and Minnesota.⁹

Thank you for your time. I urge you to vote "ought to pass" on LD 877, and I'm happy to take any questions.

Notes

¹ Dmitri Koustas, James Parrott and Michael Reich, "New York City's Gig Driver Pay Standard: Effects on Drivers, Passengers, and the Companies." *Center for New York City Affairs*. Dec 8, 2020.
<https://www.centrernyc.org/reports-briefs/2020/12/8/new-york-citys-gig-driver-pay-standard-effects-on-drivers-passengers-and-the-companies>

² Yuan An, Andrew Garin and Brian Kovak, "Delivering Higher Pay? The Impacts of a Task-Level Pay Standard in the Gig Economy." *National Bureau of Economic Research Working Paper w34545*. Dec 22, 2025.
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5883156

³ Lawrence Mishel, "Uber and the labor market: Uber drivers' compensation, wages, and the scale of Uber and the gig economy." *Economic Policy Institute*. May 15, 2018.
<https://www.epi.org/publication/uber-and-the-labor-market-uber-drivers-compensation-wages-and-the-scale-of-uber-and-the-gig-economy/>

⁴ Dan Ocampo, "Unpacking Uber and Lyft's Predatory Take Rates." *National Employment Law Project*. May 19, 2025.
<https://www.nelp.org/insights-research/unpacking-uber-and-lyfts-predatory-take-rates/>

⁵ Ken Jacobs et al., "Gig Passenger And Delivery Driver Pay In Five Metro Areas." *Center on Wage and Employment Dynamics*. May 2024. <https://laborcenter.berkeley.edu/wp-content/uploads/2024/05/Gig-Passenger-and-Delivery-Driver-Pay-in-Five-Metro-Areas.pdf>

⁶ "More than a Gig: A Survey of Ride-Hailing Drivers in Los Angeles." *UCLA Institute for Research on Labor and Employment*. May 2018. <https://irle.ucla.edu/wp-content/uploads/2018/05/Final-Report.-UCLA-More-than-a-Gig.pdf>

⁷ James A. Parrott, Michael Reich, and Xingxing Yang. "The Economic Situation of Gig Passenger Drivers in Minnesota". *IRLE Working Paper* No. 105-24. Oct 2024. <https://irle.berkeley.edu/wp-content/uploads/2024/10/The-Economic-Situation-of-Gig-Passenger-Drivers-in-Minnesota-IRLE-Working-Paper.pdf>

⁸ Jessica Rindels, "The Gig Economy: Another Perspective on the Labor Market." *Goldman Sachs Research*. 17 Nov 2025. <https://www.gspublishing.com/content/research/en/reports/2025/11/17/d13049a6-518a-490e-b8a8-bed5a4a34fe7.pdf>

⁹ James A. Parrott, Michael Reich, and Xingxing Yang. "The Economic Situation of Gig Passenger Drivers in Minnesota". *IRLE Working Paper* No. 105-24. Oct 2024. <https://irle.berkeley.edu/wp-content/uploads/2024/10/The-Economic-Situation-of-Gig-Passenger-Drivers-in-Minnesota-IRLE-Working-Paper.pdf>