

# **ATU 689 - SB 747 - Transportation Network Companie**

Uploaded by: Brian Wivell

Position: FAV



## **SB 747 - Transportation Network Companies - Deactivation of Operators - Policy and Appeal Procedure**

**Favorable**  
Senate Finance Committee  
March 5th, 2025

ATU Local 689 represents over 15,000 transit workers and retirees throughout the Washington DC Metro Area performing many skilled transportation crafts for the Washington Metropolitan Area Transit Authority (WMATA), MetroAccess, MTA Commuter Bus, DASH, and DC Streetcar among others. Our union helped turn low-wage, exploitative transit jobs into transit careers. We became an engine for the middle-class of this region.

Over the last two decades, tech companies have been able to undermine many of the commonsense protections that workers enjoyed under federal or state law. This is because these companies have rebranded from being considered employers to being “platforms.” Transportation Network Companies (TNCs) might argue that deactivation is more akin to moderating content on a social network, but the reality is that deactivation is a form of being fired by the app. In the same way that federal and state law sets some reasonable guardrails around firing workers, these app drivers need protections as well.

Deactivation is not just being removed from an app. It is a loss of livelihood for some workers that have no other options. Many of the worst employer practices from TNCs have been ignored because there is a carefully crafted public perception that rideshare driving is primarily a “side hustle.” This leads people to believe that if someone were removed from the app they could still rely on their primary source of income. A recent survey found that deactivated drivers with Uber worked an average of 44.5 hours per week. At Lyft it was 37.5 hours per week. 18% of deactivated drivers lost their car from the loss of income. Another 12% lost their houses from the loss of income from deactivation. Importantly, these workers will also not be able to draw from unemployment insurance.

Part of the issue is that deactivation can be driven by algorithms. Per Uber’s website, “A driver or delivery person can lose access to part or all of the Uber platform for ratings that are below the minimum average rating in their city.” But to be clear, customers can rate workers poorly for discriminatory reasons. Customers can submit claims against workers just to get a free ride. Someone’s ability to earn a livelihood and feed their family should not be taken away without a clear process, with protections from discrimination, and the right to hear evidence against them.

We are not asking for bad, dangerous, or reckless drivers to stay on the platform. SB 747 only requires that TNCs have fair, clearly outlined, and accountable processes for deactivation.

## **SB 747 - Transportation Network Companies - Deacti**

Uploaded by: Donna Edwards

Position: FAV



# MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Balto. (410) 269-1940 • Fax (410) 280-2956

*President*

**Donna S. Edwards**

*Secretary-Treasurer*

**Gerald W. Jackson**

**SB 747 - Transportation Network Companies - Deactivation of Operators - Policy and  
Appeal Procedure  
Senate Finance Committee  
March 5, 2025**

**SUPPORT**

**Donna S. Edwards  
President  
Maryland State and DC AFL-CIO**

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 747. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

SB 747 enhances transparency and fairness within our transportation network companies (TNCs) by requiring these companies to establish easy-to-understand deactivation policies and appeal processes for when they wish to restrict an operator.

TNC operators connect passengers to their destinations safely and efficiently, providing an essential service that many of our residents rely on for their everyday transportation needs. Under current law, when companies make deactivation decisions, operators face a lack of due process and a sudden loss of income with no ability to dispute the decision. Similar to a number of states including Colorado, Minnesota, Washington and Virginia, this legislation enacts a number of measures that address these concerns to prevent discrimination, enhance transparency, and create a fair and equitable misconduct procedure.

First, it requires TNCs to provide timely notice and justification for the deactivation of an operator while mandating a thorough investigation be conducted prior to deactivation. This ensures that there is a plausible reason for removal and prevents unjust actions due to unclear or unjustified claims. Second, this bill requires TNCs to establish an appeals process, allowing operators to challenge deactivations and argue their case to reinstate their ability to drive passengers. This process, which is required to be comprehensive, timely and easily accessible,

provides operators with an opportunity to dispute deactivation and understand their rights within that process.

This legislation is a necessary step forward in strengthening protections for TNC operators while promoting fairness and transparency in the industry. For these reasons, we urge a favorable vote on SB 747.

# **SB0747.pdf**

Uploaded by: Francisco Flores

Position: FAV

Hello my name is francisco A Flores. I support SB0747 bill because I'm a victim of unfair deactivation from uber, I was deactivated under false allegations that I broke the terms and conditions of uber guidelines when it was false. Uber didn't tell me who or what or when this has happened they said they would have an investigation and that they would call me back. 3 days later they activated me just on my 7 year good record. There is no way they can do an investigation because they where not in the car. I couldn't say anything since I didn't know what happened. I was lucky to be activated again unlike other drivers that know. And uber is my only job so I was very stressed out on how to pay

my bills. Also uber does not reimburse me for loosing time and money. Please vote yes on this bill. It's not just me hundreds and thousands of people go through this on a monthly basis. Thank you for your time and thank you for your service on representing us, your constituents.

# **Written Testimony SB 747 - Transportation Network**

Uploaded by: Matthew Girardi

Position: FAV



## **Statement of the Amalgamated Transit Union (ATU) Local 689** SB 747– Transportation Network Companies - Deactivation of Operators - Policy and Appeal Procedure March 5th, 2025

**TO: The Honorable Pamela Beidle and Members of the Senate Finance Committee**  
**FROM: Matthew Girardi, Political & Communications Director, ATU Local 689**

ATU Local 689 supports SB 747 and urges the Senate Finance Committee to issue a favorable report. This bill is a necessary and fair measure for rideshare drivers in the state of Maryland.

At Local 689, we represent over 15,000 transit workers and retirees throughout the Washington DC Metro Area performing many skilled transportation crafts for the Washington Metropolitan Area Transit Authority (WMATA), MetroAccess, DASH, and MTA Commuter Bus among others. Our union helped turn low-wage, exploitative transit jobs into transit careers. We became an engine for the middle-class of this region.

Throughout the Union's history, we have had to fight tooth and nail to get fairness for our members. Be it a living wage, a secure retirement system, quality health insurance, or stable hours, Local 689 has been on the front lines of the fights to bring a decent quality of life to blue-collar workers. Indeed, when transit workers themselves began organizing, we were not given the same rights they have today. Transit workers were often intentionally isolated and not allowed to talk with each other. There wasn't transparency in pay. Firings were at will and hiring was discriminatory. There wasn't even a minimum wage. Sadly, we see this happening with TNCs now, with rideshare drivers being deactivated. This must stop.

Today across the state of Maryland, rideshare drivers are in a precarious situation. While many effectively drive and work for Uber and Lyft, existing labor law does not protect them in the same way it does every other worker. Instead, riders are subject to being "fired by the app" without notice, reason, or recourse.

To start, the Union notes that deactivation has severe consequences for drivers. Instead of being a "side-hustle", many deactivated drivers are instead heavily reliant on Uber and Lyft as their primary sources of income according to a recent survey by Asian Americans Advancing Justice and Rideshare Drivers United. To list a few of the major points of the report:

- Of surveyed drivers who were deactivated, they averaged working 44.5 hours per week for Uber and 37.7 hours per week for Lyft.
- 18% of drivers lost their car as a result of loss of income from deactivation
- 12% of drivers lost their homes as a result of loss of income from deactivation
- 28% of drivers had difficulty paying for healthcare as a result of loss of income from deactivation
- 24% of drivers had difficulty paying for their children's needs including childcare and education as a result of loss of income from deactivation.

Additionally, the Union notes that Uber and Lyft deactivation is far too common. Moreover, this has severe consequences and impacts Black, brown, and AAPI drivers disproportionately. From that same report, we saw:

- Altogether, 66% of surveyed drivers reported deactivation at some point either from Uber or Lyft.
- Over 69% of drivers of color experienced some form of deactivation, compared to 57% of white drivers.

- 45% of drivers believe they were deactivated directly as a result of some form of discrimination.
- 30% of drivers who were deactivated were not given any explanation for why they were locked out of the app.
- 40% of deactivated Uber drivers and 16% of deactivated Lyft drivers reported they were not provided enough information by the company on how to appeal their deactivation.
- Only 10% of drivers from each company were able to successfully appeal and reverse their deactivations.

SB 747 would simply require that there is a fair, clearly outlined, and accountable process for deactivation. Much like any other workplace where “just cause” is required to fire an employee, there should be clear standards around who gets to drive for rideshare companies and when. Deactivation being driven by ratings which, in turn, have been influenced by riders who do not like a driver for being part of an otherwise protected class, like their national origin, skin color, race, gender, sexual orientation, or age is fundamentally unfair and discriminatory. We need to have fair and standardized deactivation procedures. That is exactly what SB 747 does.

The Union thanks Senator Kramer for introducing this worthy measure and urges the committee to issue a favorable report.

# **NELP Testimony ISO SB 747 - TNC Deactivation Polic**

Uploaded by: Sally Dworak-Fisher

Position: FAV



## **Testimony of Sally Dworak-Fisher**

National Employment Law Project

### **S.B. 747 — Transportation Network Companies–Deactivation Policy — SUPPORT**

### **Hearing before the Senate Finance Committee of the Maryland General Assembly**

March 5, 2025

Sally J. Dworak-Fisher  
Senior Staff Attorney

National Employment Law Project  
90 Broad Street, Suite 1100  
New York, NY 10004

202-869-3286  
[sdworak-fisher@nelp.org](mailto:sdworak-fisher@nelp.org)

The National Employment Law Project (NELP) is a nonprofit organization with more than fifty years of experience advocating for the labor and employment rights of low-wage workers. NELP works extensively at the federal, state and local levels to promote policies that expand worker protections and support a good jobs economy. We work closely with workers in the on-demand and ‘gig’ economy who are organizing for fair pay and healthy and safe working conditions.

We write in **SUPPORT** of S.B. 747 and urge a **FAVORABLE** report.

## **Arbitrary and Unfair Deactivations Inflict Serious Harm on Drivers.**

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As the authors of *Fired by An App* explain: “Drivers spend hours in their car and answer to an app that determines their next assignment, location, and pay.”<sup>1</sup> Despite the myth that these jobs are filled with people who work sporadically for just a few hours a week, research indicates that the majority of rides are provided by full-time workers.<sup>2</sup> These “full-time workers depend on their earnings from driving to provide the main economic support for themselves and their families.”<sup>3</sup> Research in Washington state suggests that 87% of workers rely on their income from driving for basic needs.<sup>4</sup> When drivers are suddenly, inexplicably suspended or terminated – what the corporations euphemistically call ‘deactivation’ – they struggle to make ends meet. The so-called ‘flexibility’ to log in for work at any time is a myth for workers who are barred from work.

## **Deactivations Disproportionately Hurt Workers of Color.**

Black and Latinx workers are overrepresented by 45 percent in digital labor platform work such as driving for TNCs.<sup>5</sup> In a survey of more than 800 drivers in California, 69% percent of drivers of color experienced deactivation of some kind, compared to 57% of drivers who identified as white.<sup>6</sup> And research from University of Washington concluded that TNCs engage in “a racially biased practice of driver deactivation.”<sup>7</sup> To the extent that deactivations are based on consumer ratings, such ratings can amplify bias and enable racially biased deactivations: researchers have found that “ratings systems have the potential to amplify existing bias from users . . . [and]

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<sup>1</sup> *Fired by an App: the Toll of Secret Algorithms and Unchecked Discrimination on California Rideshare Drivers*, ASIAN AMERICANS ADVANCING JUSTICE, RIDESHARE DRIVERS UNITED (Feb. 2023), <https://www.drivers-united.org/fired-by-app>.

<sup>2</sup> Michael Reich, Pay, Passengers and Profits: Effects of Employee Status for California TNC Drivers, INST. FOR RESEARCH ON LAB. AND EMPL., (Oct. 5, 2020), <https://irle.berkeley.edu/wp-content/uploads/2020/10/Pay-Passengers-and-Profits-1.pdf>. While this report is based on California drivers, there is no reason to assume Maryland drivers are meaningfully different in this regard.

<sup>3</sup> *Id*

<sup>4</sup> Alexandra Yoon Hendricks, *UW study finds racial bias in rideshare driver deactivations*, THE SEATTLE TIMES, (Aug. 7, 2023), <https://www.seattletimes.com/seattle-news/uw-study-finds-racial-bias-in-rideshare-driver-deactivations/>.

<sup>5</sup> See U.S. Bureau of Lab. Statistics, *Electronically Mediated Work*, *supra* n. 6 (noting over-representation of Black and Latinx workers).

<sup>6</sup> *Fired by an App*, *supra* n. 1.

<sup>7</sup> Lindsey Schwartz, Eva Maxfield Brown, and Nic Weber, *Deactivation with and without Representation: The Role of Dispute Arbitration for Seattle Rideshare Drivers*, (July 2023), available at [https://osf.io/preprints/socarxiv/w6z8e\\_v1](https://osf.io/preprints/socarxiv/w6z8e_v1).

can channel that bias to customers who otherwise would not discriminate, leading to a disparity in ratings and earnings between [w]hite and non-[w]hite workers.”<sup>8</sup>

## **Drivers are Deactivated Without Explanation, Cause, or Meaningful Remedy.**

Drivers’ “ability to earn a living is precariously dependent on secret algorithms and a customer complaint process that is inaccessible to them.”<sup>9</sup> Drivers may be suddenly cut off from access to work, suffer devastating financial harm, yet have little idea why, much less access to a human being to challenge it. TNCs may:

deactivate a driver because of reasons as simple as a slight drop in the driver’s customer rating, although the threshold is not always clearly defined by the platforms. Drivers who are deactivated from the apps find themselves on their own with no meaningful way to challenge the deactivation and reestablish livelihoods that are critical to their survival.<sup>10</sup>

Poor reviews may be retaliatory or racially biased, and “there’s no transparency, and there’s no recourse for drivers who have had false accusation . . .”<sup>11</sup> Instead of an HR department or system for meaningful communication about the deactivation: “TNC driver support is largely handled via telephone or chat where specialists lack the authority to reverse a deactivation, or even disclose relevant information about the cause of deactivation.”<sup>12</sup> Meanwhile, corporations like Uber, Lyft, and DoorDash require their workers to waive access to courts and to class actions *as a condition of work*, meaning they must pursue costly, lengthy individual private arbitration for any legal claims they may have.

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<sup>8</sup> Seb Murray, *Ratings Systems Amplify Racial Bias on Gig-Economy Platforms*, YALE SCHOOL OF MGMT. (Aug. 14, 2023), <https://insights.som.yale.edu/insights/ratings-systems-amplify-racial-bias-on-gig-economy-platforms>.

<sup>9</sup> *Fired by an App*, supra n. 1.

<sup>10</sup> *Id.*

<sup>11</sup> *Chicago Rideshare Drivers Say They’re Being Deactivated Unfairly After Bad Reviews, Call For Hearings Before Deactivation*, CBS Chicago, (Jan. 20, 2022), available at <https://www.cbsnews.com/chicago/news/chicago-rideshare-drivers-call-deactivation-hearings/>.

<sup>12</sup> Schwartz, Brown, *Deactivation*, supra n. 7 at 6.

## **S.B. 747 is a Commonsense Response to a Serious Problem.**

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S.B. 747 is a sensible response to the lack of transparency or accountability around the TNC deactivations hurting Maryland drivers today. The bill mirrors in many respects a law enacted in Seattle, Washington that establishes common sense guardrails against unfair and arbitrary deactivations and that establishes a process enabling workers to

- a) understand the grounds on which they may be deactivated according to a clear and specific company policy;
- b) get notice of and an opportunity to respond prior to being locked out, suspended, or terminated; and
- c) appeal their deactivations.<sup>13</sup>

S.B. 747 also meaningfully protects companies' ability to take immediate action against any workers who may engage in egregious misconduct. Thus, if a driver's actions pose an immediate safety threat or will cause irreparable harm, the TNC may deactivate the driver prior to an investigation.

## **S.B. 747 is Good Policy.**

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S.B. 747 simply provides commonsense protections for a class of workers whose access to income is frequently dependent on the hidden algorithms used by the corporations they work for, and who are left without an notice, explanation or meaningful access to human beings who can explain or assist in correcting wrongful 'deactivations.' Accordingly, and for all of the foregoing reasons, NELP **supports S.B. 747** and urges a **favorable** report.

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<sup>13</sup> See City of Seattle Ordinance 126878, *App-Based Worker Deactivation Rights Ordinance*, SMC 8.40 (August 2023), <https://www.seattle.gov/documents/Departments/LaborStandards/Signed%20Ordinance%20126878.pdf>.

# **[MD] SB 747\_TNCs\_TechNet written.pdf**

Uploaded by: margaret durkin

Position: UNF



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TechNet Mid-Atlantic | Telephone 717.585.8622  
[www.technet.org](http://www.technet.org) | @TechNetMidAtla1

March 3, 2025

The Honorable Pam Beidle  
Chair  
Senate Finance Committee  
Maryland Senate  
3 East Miller Senate Office Building  
11 Bladen Street, Annapolis, MD 21401

*RE: SB 747 (Kramer) - Transportation Network Companies - Deactivation of Operators - Policy and Appeal Procedure – Unfavorable*

Dear Chair Beidle and Members of the Committee,

On behalf of TechNet, I'm writing to share our concerns on SB 747.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over 4.5 million employees and countless customers in the fields of information technology, artificial intelligence, e-commerce, the sharing and gig economies, advanced energy, transportation, cybersecurity, venture capital, and finance. TechNet has offices in Austin, Boston, Chicago, Denver, Harrisburg, Olympia, Sacramento, Silicon Valley, Tallahassee, and Washington, D.C.

The sharing economy is creating income opportunities in every corner of the country, allowing people to work independently and on discretionary schedules, use their personal property and skills to generate income, help them expand their businesses, and provide for themselves and their families. Policymakers should ensure that efforts to regulate the sharing economy protect innovation and individual empowerment, are not overly burdensome, and recognize the unique nature of the sharing economy when compared to traditional providers. The composition of the U.S. workforce is changing as new technologies have provided low-barrier access to flexible, independent work. This type of work allows individuals and families in need of supplemental income, including during periods of unemployment or underemployment, to access work on demand. Over time, in large part due to the availability of the gig and sharing economies, the independent workforce has grown to serve as an important source of supplemental earnings for millions of Americans.

TechNet has concerns about SB 747 as drafted. Our member companies take safety reports from riders and drivers extremely seriously and review each one to determine the appropriate course of action. If a driver disagrees with the action taken, they can already ask for the decision to be reviewed. If a driver is found to have been in violation of any company's community guidelines, they are removed from the platform for the safety of the community.

Many of our TNC members already have policies in place to address operator deactivations and appeals processes. SB 747 gives wide latitude to the Public Service Commission to adopt regulations around the form and description of the deactivation policy and manner in which said policy is distributed. Further, leaving the Commission to define the "reasonableness" of a private company's policy is vague, overbroad, and anti-competitive. Businesses require certainty to thrive, and we are concerned that the Commission's ability to adopt regulations will lead to business uncertainty. Additionally, the bill gives the Commission discretion to adopt regulations regarding measures a TNC company may take to summarize the records relating to a deactivation. The provision in the bill related to the Commission seeking out "any other information or record the Commission determines is necessary" could inadvertently lead to companies having to reveal proprietary information.

Finally, this bill contains a private right of action (PRA). We believe that PRAs will lead to frivolous lawsuits and expose Maryland businesses to onerous liability. Any enforcement should rest solely with the Attorney General.

TechNet seeks to encourage, enable, and advance American leadership in innovation, and is vigilant against vague, overbroad, unnecessary, harmful, or hostile laws and regulations that slow down innovation. We promote policies that encourage the development of entrepreneurship, mobile commerce, and the next wave of innovation in the new economy. Establishing an innovation-friendly policy framework is the key to the competitiveness of the technology industry. For the above stated reasons, TechNet is opposed to SB 747.

Sincerely,



Margaret Durkin  
TechNet Executive Director, Pennsylvania & the Mid-Atlantic

## **03-05-25 Maryland SENATE DEACTIVATIONS Hearing.pdf**

Uploaded by: Michele Blackwell

Position: UNF

Senate Finance Committee  
Senator Pamela Beidle, Chair  
Senator Antonio Hayes, Vice Chair  
Wednesday, March 5, 2025

*Written Testimony for Uber Technologies, Inc. on SB0747, Transportation Network Companies –  
Deactivation of Operators – Policy and Appeal Procedure*

Uber understands that losing access to an earning opportunity is one of the toughest moments for a driver—and the process of removing someone from the Uber platform is not a decision we take lightly. Uber never deactivates a driver because we want to. We do it when we *need* to—to ensure the safe and proper functioning of our platform. Uber’s Terms of Use and Community Guidelines are grounded in relevant local law, regulations, and best practices. They are intended to keep our platform safe and compliant for *all* of our users. While well-intentioned, SB0747 has the potential to overly restrict how deactivation decisions are made and directly impact the safety of the Uber platform.

**SB0747 is too restrictive and could adversely impact current safety standards.** Uber understands that SB0747’s goal is to minimize unfair deactivations by TNCs. Because of this, the bill includes certain definitions to provide guidance to TNCs. However, some of these definitions: (1) fail to capture certain behavior that should warrant deactivation; (2) do not provide sufficient time for a TNC to review potential behavior that should be considered for a deactivation; and (3) could even penalize TNCs for circumstances completely beyond their control. Here are just a few examples:

- **First**, the term “deactivation” is defined simply as any restriction of a driver’s access to the platform for more than 48-hours, without any exceptions or carveouts whatsoever. The problem is that there are losses of access that should not count as deactivation. For instance, a temporary loss of access that can be resolved entirely by the earner—such as a driver providing an updated document. Defining a deactivation simply as 48 hours without access does not provide TNCs sufficient time to properly investigate a matter, speak with all parties involved, or gather evidence to determine if the conduct is in fact subject to deactivation. This actually ends up hurting *earners*—because it means TNCs will be forced to prematurely and permanently deactivate them out of fear that their review process will last longer than 48 hours. And at the exact same time, the bill states that deactivation cannot occur unless an investigation is “thorough enough.” Safety advocates such as NO MORE and RALIANCE specifically support longer investigation periods when evaluating a potential deactivation.
- **Second**, the definition of “egregious misconduct” is not appropriately expansive, as it addresses an “immediate threat” only in the context of “the physical safety” of a rider. While the bill allows the Commission to further define “egregious misconduct” through regulation, the bill fails to give guidance as to what such conduct includes (*e.g.*, assault,

sexual assault, sexual harassment, etc.), which could lead to the omission of certain behaviors from being considered for deactivation.

- **Finally**, the definition of “deactivate” or “deactivation” does not contemplate any circumstances where a driver may lose access to the platform due to reasons outside of the control of a TNC. For example—emergencies, inclement weather, or when a driver’s state-mandated documents have expired.

**SB0747 does not consider the current safety and deactivation process that is already in place on the Uber platform.** In 2023, Uber made a commitment to be the fairest platform for flexible work. Since this commitment, Uber has published our deactivation principles and shared the improvements we’ve worked hard to make. We know that drivers want transparency, and we strive to provide that. Outside of egregious violations that require immediate removal, before a driver is deactivated, we alert the driver that their account is at risk. Drivers have the chance to provide any additional information, about what they think happened, along with any supporting evidence and media such as dashcam footage. Uber agents—who are highly trained—review the information received and determine if the report against the driver is valid, using additional data like GPS or timestamps to verify. We do this to hear both sides. If a driver is deactivated, they are never left in the dark. They are always told why their account has been deactivated and can appeal the decision right in the app. They are given instructions on how to submit an appeal, and we even provide tips to help them submit the most relevant information. After they’ve submitted an appeal, they can add even more information if they remember something later on or find new evidence. Once the review is completed—typically within 72 hours of submission—we let drivers know whether their appeal has been accepted or denied. While the decision is final, the driver can continue to share feedback and ask questions to support agents.

Keep in mind that in general, deactivation is not a common experience. Most drivers carry out day-to-day services on our app without violating our terms, and without ever experiencing any interruption of access. Permanent deactivations on our platform are *necessary* to deal with safety incidents, fraudulent activity, and the efficient functioning of our platform. Unfortunately, however, the proposed bill fails to consider the need for TNCs to consider certain critical information as a basis for deactivation. For instance, it expressly prohibits deactivations based on cancellation or acceptance rate, customer ratings and reports, background checks, driving records, and records of traffic violations—all relevant information for the safe and proper functioning of the platform.

The bill sets out overly broad requirements for TNCs to provide advance notice—as long as 14 days—prior to deactivating a driver, and to share all records that were “relied upon” to substantiate the deactivation. Such records even include the specific “date, time,” and “location of the incident.” This can jeopardize the safety and privacy of the reporting party, as it discloses to drivers exactly which rider reported them, which in turn creates retaliation concerns and even suppresses future reporting.

While we believe existing processes are fair and thorough, we welcome a continued dialogue with the Committee and would like to further discuss how we are striving to ensure drivers have a fair experience before any legislation moves forward.

# **OPC SB0747 & HB1030 Testimony.pdf**

Uploaded by: David Lapp

Position: INFO

DAVID S. LAPP  
PEOPLE'S COUNSEL

WILLIAM F. FIELDS  
DEPUTY PEOPLE'S COUNSEL

JULIANA BELL  
DEPUTY PEOPLE'S COUNSEL

— **OPC** —  
**OFFICE OF PEOPLE'S COUNSEL**  
**State of Maryland**

6 ST. PAUL STREET, SUITE 2102  
BALTIMORE, MARYLAND 21202  
WWW.OPC.MARYLAND.GOV

BRANDI NIELAND  
DIRECTOR, CONSUMER  
ASSISTANCE UNIT

CARISSA RALBOVSKY  
CHIEF OPERATING OFFICER

BILL NO.: HB1030/Senate Bill 0747 – Transportation Network  
Companies – Deactivation of Operators – Policy and Appeal  
Procedure

COMMITTEE: Finance  
Economic Matters

HEARING DATES: March 5, 2025  
March 6, 2025

SPONSOR: Senator Kramer and Senator Lam  
Delegate Fennell and Delegate Ivey and Delegate Martinez

POSITION: Informational

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The Maryland Office of People's Counsel ("OPC"), the statutory representative of residential ratepayers and non-commercial users of other services regulated by the Public Service Commission, including transportation network companies ("TNCs") as defined under Public Utilities Article ("PUA") 10-101, respectfully offers the following informational comments on House Bill 1030 and cross-filed Senate Bill 747—a bill that proposes changes to the statute governing TNCs and associated drivers. OPC does not have comments regarding HB 1030/SB 747's proposed driver deactivation requirements. However, OPC participates in cases related to TNCs before the Commission and believes the bill's proposed changes in the definition of "transportation network operator", "transportation network partner", or "transportation network driver" ("TNO") under PUA Section 10-101(m)(2) could have potential negative implications for the protections that are provided to "non-commercial users" (i.e. riders). Thus, OPC offers the following information and modifications to the bill's definition of TNO to address those concerns.

As drafted, HB 1030/SB 747 would amend the current PUA definitions for "transportation network company", as well as the single definition for "transportation

network operator”, “transportation network partner” or “transportation network driver” (“TNO”), all of which have the same meaning under the law. OPC supports the bill’s attempt to provide clarifications to the current definitions for both TNCs and TNOs but is concerned that HB 1030/SB 747’s changes to the TNO definition might inadvertently exclude certain operators from being classified as drivers, partners or operators, leaving riders without the licensing and other public safety protections that current law provides. OPC’s proposed changes intend to close potential regulatory loopholes.

A case now pending before the Commission highlights the usefulness of clarifying the definitions. Yazam, Inc. d/b/a/ Empower (“Empower”), which Commission Staff has accused of operating as a TNC without a license,<sup>1</sup> argues that it is not a TNC because drivers who use Empower’s software to connect drivers with passengers do not meet the statutory definition of TNOs under PUA §10-101(m)(2) since Empower does not receive payments directly from passengers—as do ride services such as Uber and Lyft—but instead receives subscription fees from drivers.<sup>2</sup> Empower asserts that the Maryland General Assembly, when it crafted PUA §10-101(m)(2) under Senate Bill 868 in 2015, specifically intended for the payment exchange described within the provision to take place between the passenger and the TNC.<sup>3</sup>

OPC disagrees with Empower’s interpretation that it is not a TNC. Nonetheless, OPC supports HB1030/SB 747’s efforts to further clarify how TNCs and TNOs are defined under Maryland law and recommends the following modifications to the bill:

- Add the word “connected” to Section 10-101(m)(2)(I) to echo the “connect passengers” language in Section 10-101(l)(1) and ensure it is clear that the definition applies whenever the app is used to make such connections;
- Delete “to the transportation network company” language under Section 10-101(m)(2)(II)(1) so that the fee does not specifically need to be paid “to the transportation company”;
- Change the “and” to an “or” at the end of Section 10-101(m)(2)(II)(2), so that a driver meets the definition of a “transportation network operator” if the driver meets any of the three—rather than all three—criteria. To ensure that the change from a conjunctive to an alternative doesn't unintentionally capture

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<sup>1</sup> See Case No. 9732, *In the Matter of the Staff of the Public Service Commission v. Yazam, Inc. d/b/a/ Empower* (Apr. 5, 2024).

<sup>2</sup> See Case No. 9732, Empower’s Answer to Staff’s Complaint at 1 (June 7, 2024).

<sup>3</sup> See Case No. 9732, Empower’s Answer to Staff’s Complaint at 3 (June 7, 2024).

drivers using an approved car for personal use, add to 10-101(m)(3), “when providing transportation services for compensation.”

These modifications aim to clarify definitions and prevent ambiguity that might allow certain businesses and individuals, like Empower, to continue to argue they are not properly classified as a TNC or TNO.

OPC appreciates the opportunity to provide this information on HB 1030/SB 747.

## **SB0747\_ Information\_PSC.pdf**

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Position: INFO

FREDERICK H. HOOVER, JR.  
CHAIR

MICHAEL T. RICHARD  
KUMAR P. BARVE  
BONNIE A. SUCHMAN



## PUBLIC SERVICE COMMISSION

Chair Pamela Beidle  
Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, MD 21401

### **RE: SB 747 – Transportation Network Companies – Deactivation of Operators – Policy and Appeal Procedure**

Dear Chair Beidle and Committee Members:

The Public Service Commission (the Commission) appreciates the opportunity to provide this informational testimony for SB 747. The Commission has regulatory authority over transportation companies operating for-hire within the State of Maryland, which includes Transportation Network Companies (“TNCs”). Under this authority, the Commission, in general, issues permits and licenses to companies and vehicles upon receiving documented evidence of adherence to certain criteria and requires the filing of certain reports on an annual basis by the regulated entities. In addition to other types of for-hire driver’s licenses, the Commission issues licenses for individuals operating for-hire under a Transportation Network Company permit, and these drivers are identified as Transportation Network Operators (“TNOs”).

In SB 747, Section 10–101 seeks to amend the current definitions of both Transportation Network Companies and Transportation Network Operators. It is possible that the change in definition could cause additional transportation companies to be classified as TNCs and their drivers as TNOs. This could result in an increase in the number of drivers required to apply for licensure to operate in Maryland. Those numbers are unknown at this time.

SB 747 would require the Commission to adopt regulations in response to the bill’s implementation and require the Commission to adopt model notices and descriptions of the deactivation appeal process related to TNOs. The additional requirements posed by this legislation, if passed, may therefore require revisions to the current sections of COMAR pertaining to TNCs.

Section 10-409(J)(3) of the legislation provides a process for a TNO to appeal a decision by a TNC that deactivates or restricts the TNO from the company’s digital network for a period of at least 48 hours. This appeal process also allows the TNO to file a complaint with the Commission or to bring a civil action against the TNC. This new appeals process would create a substantial increase in the number of complaints received by the Commission, requiring more in-depth investigations. Currently, the Commission does not regulate how TNCs handle driver deactivations, except in cases when there are violations of the vehicle requirements and driver screening standards outlined in COMAR. Beyond violations requiring deactivation due to failure to comply with COMAR, the Commission does not have authority to dictate TNC policies regarding the deactivation of its operators. TNCs are required

to report to the Commission the number of deactivations, however, the information provided does not include any driver information, but only the numbers of drivers deactivated in a calendar year.

There are few instances where the Commission investigates or is involved in the management of labor for public service companies. These issues are primarily left up to the Maryland Department of Labor. SB 747 would significantly change the role of the Commission with regards to labor practices of public service companies. There are currently over 100,000 TNOs operating in Maryland. In 2024, one TNC reported over 2700 deactivations to the Commission which has the potential to create 2700 investigations and Commission proceedings relating to those investigations.

The Public Service Commission appreciates the opportunity to provide this informational testimony for your consideration for bill SB 747. Please contact Christina Ochoa, Director of Legislative Affairs at [christina.ochoa1@maryland.gov](mailto:christina.ochoa1@maryland.gov) if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Frederick H. Hoover". The signature is fluid and cursive, with the first name "Frederick" being the most prominent.

Frederick H. Hoover, Chair  
Maryland Public Service Commission