

KUMAR P. BARVE
CHAIR



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PUBLIC SERVICE COMMISSION

Chair Marc Korman
Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, MD 21401

RE: HB 18 - Information - Transportation Network Companies – Transportation Network Operators – Minimum Payments for Passenger Trips

Dear Chair Korman and Committee Members:

The Public Service Commission (the “Commission”) appreciates the opportunity to provide this informational testimony for HB 18. 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 (“TNC”) permit, and these drivers are identified as Transportation Network Operators (“TNOs”). HB 18 would significantly alter the type and scope of regulatory authority exercised by the Commission over TNCs and TNOs.

HB 18 would add a new Section to the Public Utilities Article of the Maryland Annotated Code (“PUA”). § 10-410 would require that a TNC provide each operator a minimum payment according to the amounts detailed in the bill. As the language as drafted is placed in PUA, the Commission interprets the bill to require the Commission to be the enforcement authority. The Commission does not currently have the knowledge base and training to establish procedural guidelines on how to investigate a complaint based on an operator’s compensation, as it is not currently in the Commission’s purview. Further, there are over 175,000 TNO’s operating in the State. Should only 10% of those operators file only 1 complaint over the course of a year, that could lead to over 17,000 individual investigations and litigated proceedings. The Commission has no resources dedicated to resolving the large number of complaints that might result if this legislation were passed. The Committee should consider moving the enforcement authority to the Division of Labor and Industry in the Department of Labor which handles an array of employment issues, including enforcement of laws concerning compensation.

Please contact Niki Wiggins, Director of Legislative Affairs, at irene.wiggins3@maryland.gov if you have any questions related to this informational testimony.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kumar", with a long horizontal flourish extending to the right.

Kumar P. Barve
Chair, Maryland Public Service Commission