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PUBLIC SERVICE COMMISSION

Chair Brian Feldman
Education, Energy and Environment Committee
2 West Miller Office Building
Annapolis, MD 21401

RE: SB 740 – Information – Transportation Network Companies – Deactivation of Operators

Dear Chair Korman and Committee Members:

The Public Service Commission (the Commission) appreciates the opportunity to provide this informational testimony for SB 740. 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 740, 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 740 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 740 would significantly change the role of the Commission with regards to labor practices of public service companies. There are currently over 175,000 TNOs operating in Maryland. In 2025, two TNC reported over 6500 deactivations to the Commission which has the potential to create 6500 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 740. Please contact the Commission's Director of Legislative Affairs, Niki Wiggins, if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kumar P. Barve', with a stylized flourish at the end.

Kumar P. Barve
Chair, Maryland Public Service Commission