



**NOW Delivery**®

Representative Arthur Corvese, Chairman  
Rhode Island House Labor Committee  
State House, Room 101  
Providence, RI 02903

Chairman Corvese,

On behalf of Now Delivery, I am submitting the following written testimony in opposition to Rhode Island House Bill 7788, which I view as detrimental to the courier industry. The courier/delivery industry has been operating responsibly in accordance with existing law since 1984. S 7788 proposes to alter the definition of independent contractor which is a *key business component* of Now Delivery and all delivery and courier businesses providing services throughout the state. Due the varied nature and volume of deliveries we make, as a practice the courier industry has utilized independent contractors in Rhode Island to deliver goods. In the case of Now Delivery, it allows for the timely delivery of medical supplies to hospitals and other health care service providers. The proposed change of the definition of employee in this bill if passed will jeopardize the business model the courier industry has operated under for the last century.

House Bill 7788, currently pending before the House Labor Committee, would restrict the ability for courier companies in Rhode Island to work with independent contractors. The current method of defining an "independent contractor" in accordance with Rhode Island law is determined by the traditional federal law tests, the 20 Factors Test set forth in Internal Revenue Service ("IRS") Revenue Ruling 87-41 and the Fair Labor Standards Act ("FLSA"). Rhode Island and a majority of other states define who an independent contractor is by applying some format of the IRS 20 Factors Test.

Last year this Committee and the entire General Assembly passed into law an increase the penalties for employers who fail to comply with existing misclassification laws and regulations. Pursuing violators and applying stiffer penalties as a deterrent for any employer who willfully withholds wages by misclassifying its employees is an effective approach to addressing the issue.

Rhode Island is home to hundreds of independent contractors including drivers, doctors, dental hygienists, financial planners, artists, publishers, accountants, lawyers, social workers and others who choose to manage and operate their own business and earn a living outside a traditional

employer-employee relationship. For example, Now Delivery played a prominent role (and continues to do so) in the delivery of test results and vaccination doses during the COVID 19 pandemic. We also deliver pharmaceuticals to the drug stores, hospitals and patients, and service other healthcare entities such as Lifespan and Care New England hospital networks, Rhode Island Blood Center and the American Red Cross. Due to the critical, urgent and unpredictable nature of the types of deliveries, the use and flexibility of the independent contractor relationship is essential in providing the service in timely and responsive manner that our medical customers depend on.

We urge you consider the negative impact H 7788 will have on a Rhode Island based small business like Now Delivery that has been serving the community for forty years.

Sincerely,

Steven Wright  
President, CEO  
Now Delivery  
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