



March 26, 2024

Representative Arthur J. Corvese  
Chair, House Labor Committee  
Rhode Island State House  
Providence, RI 02903

Dear Chairman Corvese and other members of the House Labor Committee:

On behalf of Uber Technologies, Inc., we appreciate the opportunity to provide public testimony in opposition of House Bill 7788.

Rasier, LLC<sup>1</sup> has been connecting riders and drivers in Rhode Island since September 2013. Each day, thousands of drivers in Rhode Island use the Uber App to earn income on their own schedule and in doing so provide a much needed, reliable transportation option to people across the state. Additionally, Uber Eats, the food delivery app, launched in Rhode Island in 2017, expanded statewide, and currently connects thousands of delivery workers to flexible earnings opportunities each week.

Drivers and delivery workers who find work through Uber are independent. They choose if, when, where, and for how long to work. There is no exclusivity, so many workers use multiple apps. There is no selection process. Anyone who passes a background check and meets the regulatory requirements to work as a driver or delivery person can use the Uber App. There is no minimum commitment or obligation to work. Drivers provide their own vehicles, and are responsible for the costs of running their business.

House Bill 7788, if passed, could alter the way thousands of single parents, retirees, college students, and others earn a living. By changing the definition of employee, not only could this law attempt to capture workers in the gig economy into a traditional employer / employee relationship, but also dozens of other industries, including journalists, actors, photographers, translators, and more.

In 2019, California passed into law AB-5, which implemented this same ABC test and consequently required many companies to cut thousands of independent contractor opportunities and saw no increase in the traditional W2 jobs.<sup>2</sup> While the intent may have been to reclassify work into what lawmakers felt was a better structure, the result was simply thousands of lost jobs. This aligns with our own research: a 2023 survey, 75% of app-based earners express they prefer to

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<sup>1</sup> Rasier, LLC is a technology company that licenses a smartphone application, which includes a driver application and a rider application ("Uber App"). Rasier, LLC is a wholly-owned indirect subsidiary of Uber Technologies, Inc. Rasier, LLC holds a TNC permit in Rhode Island (P-TNC2).

<sup>2</sup> Palagashvili, et. al, Assessing the Impact of Worker Reclassification: Employment Outcomes Post-California AB5, available online at <https://www.mercatus.org/research/working-papers/assessing-impact-worker-reclassification-employment-outcomes-post>



remain independent contractors.<sup>3</sup> Drivers on our platform know what having a traditional W2 job is like, and they are choosing flexible platform work instead.

Additionally, forcing companies in the “gig economy” into an employment model could have a significant and negative impact on the state more broadly. It’s likely that if we were forced to switch to an employment model, not only would a large portion of the current workforce lose out on an earnings opportunity, but similarly to the [analysis](#) we conducted in California in Spring 2020, it’s likely that the less densely populated areas of the state would no longer benefit from on-demand rideshare and delivery, and those who live in more urban areas which would retain access to the services could see dramatic price increases.

In virtually every public survey over the last decade, the vast majority of workers have said they don’t want to be employees because of how much they value flexibility. In surveys conducted in November and December 2023, 88% of drivers said they drive to keep up with the cost of living, and 91% said that they value the flexibility from driving that doesn’t come with traditional jobs. That includes the ability to set one’s own work schedule, use multiple app-based platforms at the same time, and to drive as much as needed to meet individual financial goals. Voters support preserving access to independent work as well. About 86% of voters said that keeping up with the rising cost of living is a compelling reason for app-based work. Another 80% thought that app-based work offers a helpful solution for those who want to make more money flexibly. And 15% of voters said they are already earning on app-based platforms.<sup>4</sup>

Uber strongly opposes passage of HB 7788. Forcing this independent workforce into an employment model would upend the lives of thousands of Rhode Island residents who depend on flexible work opportunities to support their families, and could cause large swaths of the population to lose access to reliable, affordable transportation, and access to critical services like food and item deliveries.

Regards,

Hayley Prim  
Senior Policy Manager, Uber Technologies, Inc.

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<sup>3</sup> *National and State Level Survey: App-Based Economy Key Takeaways*, Flex Association  
<https://www.flexassociation.org/report/national-and-state-level-survey-key-findings/>

<sup>4</sup> *App-Based Earnings Help Americans Keep Pace with Rising Cost of Living, Amic Economy Concerns*, Uber Under the Hood

<https://medium.com/uber-under-the-hood/app-based-earnings-help-americans-keep-pace-with-rising-cost-of-living-amic-economy-concerns-4e6004357cc4>