



May 6, 2024

Representative Michael Nelson
Chair, Labor and Industry Finance and Policy
200 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Chair Nelson and Committee Members,

I am writing to express urgent concerns regarding the proposed statewide ridesharing legislation you are considering during Tuesday's hearing.

The negative impacts of an unworkable and unsustainable ridesharing bill on our region's businesses, economy, and workforce will be dramatic and long-lasting. Rather than moving forward with legislation we all know won't work, I encourage you to engage in meaningful dialogue with stakeholders to find a balanced solution that ensures fair compensation for drivers while preserving access to ridesharing services.

The legislation being considered today will force Uber and Lyft to leave not just Minneapolis or the Twin Cities region, but the entire state. This would be moving in the wrong direction relative to the Minneapolis City Council ordinance passed in March, taking their mistake and expanding it statewide.

While there is widespread support for ensuring fair compensation for drivers, we believe that goal can be accomplished without forcing companies that provide 400,000 rides per week out of our state.

The state's own data show that drivers currently earn well above minimum wage, with the state report finding that earnings average around \$30 per hour before expenses. Moreover, Lyft's rate study reveals that drivers typically earn between \$22 and \$25 per hour after factoring in expenses.

Relative to the impact of minimum wages in the bill, there are basic economic issues to consider. Proposed minimum pay rates will lead to increased fares, which will result in a reduction in riders. At the state report's rate of \$0.89/\$0.49, projections showed a 30% drop in ride volume, which would lead to fewer income opportunities for drivers.

The proposed \$1.27/\$0.49 in the legislation before you today goes even further, meaning there would be a greater than 30% reduction in riders. At that level, providing the service doesn't make economic sense.



Ridesharing isn't just a convenience; it's a lifeline for many, particularly those in low-income communities and individuals with disabilities who rely on these services for essential transportation needs. Losing ridesharing options would have a devastating impact on our region's accessibility and economic vitality.

We urge the Minnesota House Labor Committee to hit pause and work on a real solution. We cannot afford to let misguided ridesharing policies disrupt our region's economic momentum and the well-being of our residents and businesses.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jonathan Weinhagen', written in a cursive style.

Jonathan Weinhagen
President & CEO
Minneapolis Regional Chamber