



# The Commonwealth of Massachusetts

## MASSACHUSETTS SENATE

### SENATOR PAUL R. FEENEY

*Bristol and Norfolk District*

STATE HOUSE, ROOM 215  
BOSTON, MA 02133-1053  
TEL. (617) 722-1222  
FAX (617) 722-1056

PAUL.FEENEY@MASENATE.GOV  
WWW.MASENATE.GOV

*Chair*

JOINT COMMITTEE ON BONDING,  
CAPITAL EXPENDITURES AND STATE ASSETS

*Vice Chair*

JOINT COMMITTEE ON CONSUMER PROTECTION  
AND PROFESSIONAL LICENSURE

October 6, 2021

The Honorable Brendan P. Crighton, Senate Chair  
Joint Committee on Financial Services  
Massachusetts State House, Room 520  
Boston, MA 02133

The Honorable James M. Murphy, House Chair  
Joint Committee on Financial Services  
Massachusetts State House, Room 254  
Boston, MA 02133

Re: H.1234, "An Act establishing portable benefit accounts for app-based drivers"

Dear Chair Crighton and Chair Murphy,

Please accept the following letter on behalf of the undersigned Senators as written testimony to the Joint Committee on Financial Services in strong opposition to H.1234, "An act establishing portable benefit accounts for app-based drivers."

Large tech companies, like Uber, Lyft, and DoorDash, should follow the same rules as every other business in the Commonwealth. Currently, Uber and several giant tech companies do not pay into Social Security, do not pay important business taxes, and do not pay their workers fairly or consistently with the rules that apply to all businesses in the Commonwealth. For this reason, Massachusetts Attorney General Maura Healey has filed litigation against Uber and Lyft for failing to follow established law.

H.1234 and a companion ballot question asks Massachusetts legislators and voters to grant Uber and "gig economy" companies special exemptions from our labor, civil rights, and consumer protection laws. The bill exempts these companies from paying into Social Security and

unemployment insurance, potentially costing Massachusetts taxpayers hundreds of millions of dollars and weakening these programs for everyone. The bill also attempts to shield these Big Tech companies from liability and financial responsibility if customers or members of the public are injured on the job.

These companies, through legislation and ballot initiatives, seek significant changes to Massachusetts laws that would permit them to pay their workers less than minimum wage and provide few, if any, benefits that their employees are entitled to. A new study published by the UC Berkley Labor Center estimated that, under these proposed provisions, drivers could earn as little as the equivalent of a \$4.82 hourly wage – well below the current Massachusetts minimum wage. There are serious concerns that this proposal would create a permanent underclass of low-wage, mostly Black, Brown, and immigrant workers, who lack proper benefits and pay only because of the company they work for.

Finally, the scheme established in this legislation and proposed initiatives would exclude app-based workers from the robust protections against racial discrimination and sexual harassment under the Massachusetts Civil Rights Act, MGL c. 151B. At a moment of racial reckoning in our country, passing this bill would be a significant step backward in the fight for equity and opportunity at work.

Other states are grappling with similar, industry-supported legislation. Last year, in California, the same companies pushing H.1234 spent more than \$200 million to win these proposals in a ballot campaign. Massachusetts should learn from their experience and has the opportunity now to be a national leader when it comes to protecting the rights of gig-based workers. Though the technology has changed, and profits have increased, the need for worker protections does not wane. We are a Commonwealth that should be proud of our significant, historic and ongoing contributions to technological advances in every sector. But we can and must embrace innovation without joining a race to the bottom when it comes to workers benefits, consumer protection, and civil rights.

We ask the Committee to join with the undersigned Senators and so many workers, community, faith, environmental justice, racial justice, labor, civil rights, and consumer advocates to oppose this bill.

Sincerely,

Paul R. Feeney  
State Senator  
*Bristol and Norfolk District*

Michael D. Brady  
State Senator  
*Second Plymouth and Bristol District*

Sonia Chang- Díaz  
State Senator  
*Second Suffolk District*

Jason M. Lewis  
State Senator  
*Fifth Middlesex District*

John J. Cronin  
State Senator  
*Worcester and Middlesex District*

Senator Eric P. Lesser  
State Senator  
*First Hampden and Hampshire District*

James B. Eldridge  
State Senator  
*Middlesex and Worcester District*

Joanne M. Comerford  
State Senator  
*Hampshire, Franklin and Worcester District*

Patricia D. Jehlen  
State Senator  
*Second Middlesex District*

Rebecca L. Rausch  
State Senator  
*Norfolk, Bristol and Middlesex District*

Diana DiZoglio  
State Senator  
*First Essex District*

Walter F. Timilty  
State Senator  
*Norfolk, Bristol and Plymouth District*

Marc R. Pacheco  
State Senator  
*First Plymouth and Bristol District*

Julian Cyr  
State Senator  
*Cape and Islands District*

Sal N. DiDomenico  
State Senator  
*Middlesex and Suffolk District*

Adam G. Hinds  
State Senator  
*Berkshire, Hampshire, Franklin and Hampden District*

Edward J. Kennedy  
State Senator  
*First Middlesex District*

Susan L. Moran  
State Senator  
*Plymouth and Barnstable District*

John C. Velis  
State Senator  
*Second Hampden and Hampshire District*

Anne M. Gobi  
State Senator  
*Worcester, Hampden, Hampshire and  
Middlesex District*

Patrick M. O'Connor  
State Senator  
*Plymouth and Norfolk District*

Nick Collins  
State Senate  
*First Suffolk District*

Michael F. Rush  
State Senator  
*Norfolk and Suffolk District*

Mark C. Montigny  
State Senator  
*Second Bristol and Plymouth District*

John F. Keenan  
State Senator  
*Norfolk and Plymouth District*

Cindy F. Friedman  
State Senate  
*Fourth Middlesex District*