

CHANGING LIVES

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FACT SHEET

SB 1402 & SB 1403 (Lara)

LABOR PROTECTIONS FOR PORT TRUCK DRIVERS

Purpose

These bills will raise labor standards for port truck drivers, who are some of the most exploited workers in California.

Background

California's ports serve as a major economic engine for the state and the nation. More than 48 percent of containerized imports enter the country through California ports, and about 32 percent of the country's exports depart through them.¹

Despite the hundreds of billions of dollars' worth of goods processed in California ports, the thousands of port truck drivers who carry merchandise from our ports have become symbols of how the status quo spurs growing income inequality.

Port drivers are predominantly Latino immigrants and African Americans who are stuck at the bottom of our economy because the system is rigged against them.

Rampant labor violations against port truck drivers have turned what used to be good middle-class jobs into jobs in which workers are misclassified as independent contractors and earn poverty wages.

Companies are engaging in schemes to avoid paying minimum wage and employee benefits by misclassifying thousands of workers as independent contractors even though the companies "exert near complete control" over the drivers and their schedule. These companies make assignments, unilaterally set the rates they pay drivers, and retain and exercise the right to terminate drivers without cause.

1. https://www.bts.gov/archive/publications/us_international_trade_and_freight_transportation_trends/2003/modal_trends

The plight of misclassified drivers is made even harder by the leasing system that these companies have established. To comply with a 2008 Clean Truck Program, companies pushed \$150,000 in new rig costs onto drivers through leasing programs. A yearlong investigation by USA TODAY found that port trucking companies in Southern California have spent the past decade forcing drivers to finance their own trucks by taking on debt they could not afford. Companies then used that debt as leverage to extract forced labor and trap drivers in jobs that leave them destitute.²

Since 2010, over 850 misclassified port drivers have filed claims with CA authorities, with over \$40 million in stolen wages and penalties awarded to drivers. Over 3,500 drivers have sued. Every federal and state agency that has investigated has ruled that drivers are misclassified, but the industry continues to flout the law.

Recent reports show that at least 140 truck companies in Southern California have been accused of labor violations and forcing port truckers into working conditions akin to indentured servitude.³ These reports have found:

- Trucking companies force drivers to work against their will – up to 20 hours a day – by threatening to take their trucks and keep the money they paid toward buying them.
- Drivers at many companies say they had no choice but to break federal safety laws that limit truckers to 11 hours on the road each day.

2. <https://www.usatoday.com/pages/interactives/news/rigged-forced-into-debt-worked-past-exhaustion-left-with-nothing/>

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- Workers are paid at sub-minimum wage levels and in some case owe the company money after working over 100+ hours in a week.

Retailers could refuse to allow companies with labor violations to truck their goods. Instead they have let shipping and logistics contractors hire the lowest bidder, caring more about profits than worker rights.

These bad actors in the shipping industry undercut good employers within our ports that correctly classify port truck drivers, pay fair wages, and follow the law. Such practices make our roads less safe, hurt our economy, and disincentivize following the law.

California's ports are vital to our economy and our port truck drivers deserve to be treated with respect and fairness. We cannot allow an industry to generate so much profit by violating workers' rights, stealing their wages, and driving them into crippling debt.

Sponsors

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