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WSTA DISMISSES DYNAMEX LAWSUIT TO FOCUS ON LEGISLATIVE FIX

On Thursday, September 5, 2019 the Western States Trucking Association (WSTA) announces the dismissal of its lawsuit, *WSTA v. School*, which challenged the California Supreme Court's decision in *Dynamex*, a decision that dramatically affects all workers that have independent contractor status. The *Dynamex* decision established a new ABC test that makes it virtually impossible for two trucking companies to contract together, thus upending the market for owner-operators by imposing massive liability upon those that contract with them. Originally filed on July 19, 2018 in federal district court, WSTA's *Dynamex* case was the first filed on behalf of the trucking industry, but was subsequently dismissed by the trial court after it disagreed with WSTA's claim that *Dynamex* was preempted by federal law. WSTA then appealed the district court decision to the U.S. Ninth Circuit Court of Appeals.

After careful consideration, WSTA has decided that it is in the best interests of the Association, its membership, and the trucking industry as a whole to dismiss its appeal at this time in order to focus its resources on a legislative fix at the State Capitol. It is widely recognized that the California Legislature will ultimately be establishing the rules by which companies doing business in California must abide by when it comes to independent contractors. As such, WSTA believes it will be more constructive to continue working with legislators to ensure these rules are fair, reasonable, and place WSTA's members in the best long-term situation.

AB 5 is currently in play at the Capitol, which will codify the *Dynamex* decision and could provide relief for certain industries. At a recent hearing on the bill, the bill's author Assembly Member Lorena Gonzalez specifically stated in regards to the trucking industry and WSTA's lawsuit that the Legislature typically "...doesn't intervene when there's a lawsuit going on." Whether relief for trucking companies is addressed in AB 5 or a future bill, WSTA remains well-situated to negotiate for long-term solutions and rules on this matter for its members.

WSTA is proud that it was the first to stand up for trucking companies, especially owner-operators, on this issue in court and believes that our efforts significantly raised awareness of the specific harm the *Dynamex* decision had on the trucking industry. One factor that eased WSTA's decision to drop its lawsuit was that there are still other active similar cases that will likely get the same answers from the judicial system, and provide the same relief for our membership if successful, that WSTA's lawsuit would have achieved.

A handwritten signature in blue ink, appearing to read "Lee Brown", with a long, sweeping flourish extending to the right.

Lee Brown
Executive Director

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