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PRESS RELEASE

WSTA FILES LAWSUIT CHALLENGING AB 5'S CONSTRUCTION TRUCKING PROVISION

On December 19, 2019 the Western States Trucking Association (WSTA) filed a lawsuit in federal court challenging AB 5's construction trucking-specific provisions. AB 5 (Gonzalez), signed by Governor Newsom on September 18, 2019, dramatically affects all workers that have independent contractor status, thus upending the market for owner-operator trucking companies by imposing massive liability upon those that contract with them. For most workers, AB 5 codified the California Supreme Court's stringent ABC test from its 2018 Dynamex decision. However, for motor carriers that provide "construction trucking services" AB 5 inexplicably included no test whatsoever; rather it mandates that workers are employees rather than independent contractors. This mandate is clearly preempted by federal law, which prohibits states from enacting or enforcing any law or regulation related to the price, route, or service of a motor carrier.

WSTA was the first to file a lawsuit on behalf of the trucking industry when it challenged the original Dynamex decision back in 2018. When it became clear to WSTA during negotiations with the Legislature and stakeholders that AB 5 would be passed at the Capitol in a way that would render WSTA's original Dynamex lawsuit moot and thus likely unsuccessful, it voluntarily dismissed its case on September 4, 2019. However, with the subsequent inclusion of the offensive construction trucking provision in AB 5, WSTA determined that it was now appropriate and necessary to refile a lawsuit specifically targeting AB 5's construction trucking provision in order to best protect its construction trucking members.

WSTA applauds the efforts of the California Trucking Association (CTA) and others who are also challenging AB 5 in court. In its lawsuit, CTA has taken a broad approach and is challenging the ABC test itself as it applies to all motor carriers. Alternatively, WSTA's lawsuit is narrowly focused on AB 5's construction trucking provision in Labor Code section 2750.3, subdivision (f)(8), which does not utilize the ABC test. Given the unpredictability of the judicial system, it is possible that a judge could rule narrowly in the CTA case in a manner that does not provide adequate relief for construction trucking companies. As such, WSTA has filed this complementary case to ensure that its members are protected in each scenario and placed in the best position to continue providing critical, efficient hauling services within California.

Please direct media inquiries to Joe Rajkovacz, Director of Governmental Affairs & Communications.

A handwritten signature in black ink, appearing to read "Joe Rajkovacz", with a long, sweeping underline.

Executive Director/COO
Western States Trucking Association

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