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Classification fight takes a turn

The truck driver classification push received a blow on the California front but advanced somewhat in New Jersey. In granting a preliminary injunction in its lawsuit over Assembly Bill 5, a US District Court judge on Jan. 16 dealt a sharp blow to California's attempt to restructure the worker classification process for truck drivers. Judge Roger Benitez in the Southern District of California ruled that AB5 is preempted by existing federal statutes, namely the Federal Aviation Administration Authorization Act (FAAAA). "FAAAA preemption is broad but not so broad that the sky is the limit: states retain the ability to execute their police power with laws that do not significantly impact rates, routes, or services," Benitez wrote in his ruling. AB5, a controversial landmark bill with significant implications for

how trucking companies classify drivers, especially in harbor haulage, was scheduled to take effect on Jan. 1. Benitez on Dec. 31 issued a temporary restraining order (TRO) carving trucking out of AB5, so drayage operators in the ports of Los Angeles, Long Beach, and Oakland have not been affected by the law. In another case involving AB5, *People of the State of California v. California Cartage*, Superior Court Judge William F. Highberger in late January ruled in favor of Cal Cartage, saying truck drivers cannot be bound by the standards codified in AB5 because the state legislation is preempted by federal law. In New Jersey, a half-dozen bills that could make it more difficult for owner-operator truckers and other independent contractors to retain their classification status were signed into law on Jan. 21. The laws will levy new penalties and even stop-work orders if the state rules a worker is not independent, but an actual employee.