

Coalition Against A1578/S1450

February 7, 2012

Hon. Assemblyman Wisniewski
132 Main Street, Suite A
Sayreville, New Jersey 08872

Dear Assemblyman Wisniewski,

We are writing to express our opposition to A1578/S1450, the "Truck Operator Independent Contractor Act".

Independent contractors - or owner-operators - are an integral part of New Jersey's economy. These small businesses are an essential component of freight movement into and out of the Port of New York & New Jersey and are responsible for delivering cargo to over 100 million customers within a day's reach. The significance of owner-operators is not limited to our port. Indeed, the reliance on owner-operators is a widely used and reputable practice that should be encouraged as a way to stimulate New Jersey's economy.

The intent of A1578/S1450 is to eliminate the owner-operator model and force any individual involved in the drayage trucking or parcel delivery trucking industry to become an employee of a firm. Doing so would kill small businesses throughout New Jersey, crush an entrepreneurial spirit that New Jersey should be working to foster, dampen instead of enhance economic activity, and do little to curb abuses of New Jersey's workers compensation system.

We strongly oppose abuses of New Jersey's workers compensation system and deplore the knowing and intentional misclassification of workers as employees. New Jersey should work to strengthen existing enforcement measures as a way to combat the intentional misclassification of workers.

Many owner-operators are small business people. They own their trucks, have purchased their routes, service clients, and thrive on the entrepreneurial spirit that has driven our nation's economy since its inception. Owner-operators in the trucking industry do not wish to be employees. If they did, they would already be working for trucking companies. Forcing them to abandon their businesses in the name of ending misclassification is akin to throwing the baby out with the bath water.

New Jersey's ports are our State's chief economic engine. While the Port of New York & New Jersey is currently the largest port operating on the Eastern Seaboard it is also the most expensive port through which to move freight. Our ports are already facing stiff competition from neighboring ports, including Norfolk, Nova Scotia and Savannah. With

the expansion of the Panama Canal the competition is increasing. If enacted, the law would further erode the port's competitiveness.

Analysis suggests that passage of A1578/S1450 would only increase the cost of goods movement through out port, further eroding our port's competitive advantage. Moreover, over 85% of all truck traffic moves through this port on New Jersey-registered trucks, meaning the tenets of A1578/S1450 would almost exclusively impact New Jersey small businesses.

We would welcome the opportunity to discuss this matter further and work with you to develop appropriate strategies that would curb the intentional misclassification of workers as employees without killing New Jersey small businesses and economic activity.

Sincerely,

American Apparel & Footwear Association
American Import Shippers Association
American Trucking Associations
Association of Bi-State Motor Carriers, Inc.
Fashion Accessories Shippers Association
Intermodal Motor Carriers Conference
International Warehouse Logistics Association
Maritime Association of the Port of New York and New Jersey
Messenger Courier Association of America
National Retail Federation
Newark Regional Business Partnership
New Jersey Business and Industry Association
New Jersey Food Council
New Jersey Motor Truck Association
New Jersey Retail Merchants Association
New Jersey State Chamber of Commerce
New York Shipping Association, Inc.
New York State Motor Truck Association
Owner-Operator Independent Drivers Association
Port Driver Federation 18
Retail Industry Leaders Association
Travel Goods Association