

# Oakland Tribune

April 26, 2011

## My Word: Must take Wall Street trickery out of trucking

By *Sandr  R. Swanson*

BIGGER BANK CEO bonuses than before the bailout. Corporate America posted its most profitable quarter ever, but is paying little or no taxes -- and getting rebates. These headlines understandably infuriated struggling workers this tax season.

In one blatant example, a corporation received \$800 billion from the government but only paid 1.1 percent of its 2008 income in taxes after raking in \$2.3 billion in profit.

The Wall Street firm infamous for its role in the mortgage meltdown didn't just force millions of working families out of their homes or leave them underwater. It also owns half of a major port terminal operator that is one of the largest trucking companies on the West Coast.

These intimate ties to the goods-movement economy greatly concern California Assembly Speaker John Perez and me, as co-authors of legislation to prevent this sector's well-documented tax evasion and unscrupulous employer tactics.

AB950, the Truck Driver Employment and Public Safety Protection Act, would eliminate schemes trucking companies use to enrich themselves at severe costs to their workers, the public, government and other businesses that play by the rules.

Environmentalists, residents, truck drivers and labor advocates banded together to expose the adverse health, safety and economic impacts of this highly polluting industry to advocate for new emissions and community standards. But the industry, predictably, played the small-business card and litigated to stall progress.

In reality, the market in Southern California alone, home to the nation's largest port complex, dispatches roughly \$1 billion of goods in 50,000 cargo containers everyday. Essential products also flow through Oakland.

Port trucking companies cling to a business model of illegal subcontracting known as "employee misclassification" to force individual drivers to pay for expensive clean and alternative-fuel vehicles, fuel, maintenance, insurance and all other costs of doing their company's business.

Drivers mislabeled as "independent contractors" are paid low, nonnegotiable wages and are denied protections and benefits that most workers receive from their employers including workers' compensation, disability, Social Security and the minimum wage. Meanwhile, the companies skirt state and federal payroll taxes.

Consequently, licensed professionals clock 60- to 70-hour work weeks in dangerous conditions to transport goods from our shores to America's stores.

An estimated 20,000 California port drivers routinely haul loads weighing up to 80,000 pounds -- including hazardous materials -- but are unable to report safety concerns, such as faulty equipment or federal hours violations, without suffering retaliation or termination.

AB950 would protect drivers as employees of their companies under California's workplace and safety laws.

Because if it's your job to safely command a vehicle carrying 40-foot containers full of clothing, electronics and food on residential streets and highways, you shouldn't earn a minimum wage. But The Big Rig, a study by employment law experts, found that on average these workers earn just \$28,783 a year, before taxes.

Gaming the system, Goldman Sachs' Wall Street style is not welcome at our trade hubs, one of the state's most valuable economic engines. The Truck

Driver Employment and Public Safety Protection Act will ensure cleaner, safer, fairer and legal commercial activity to boost quality job creation.

It will further help get the state's fiscal house in order by collecting millions of dollars in taxes that trucking companies currently dodge.

World-class ports are vital to our economic progress. We cannot permit Wall Street-style trickery to stand in our way

***Assemblyman Sandre Swanson represents the 6th Assembly District, serving Oakland, Alameda and Piedmont***