

Report on Supply Chain Compliance Volume 2, Number 23. December 12, 2019 Trucking association files lawsuit protesting California gig economy law

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On November 12, 2019, the California Trucking Association filed a suit challenging the sweeping new law, on the grounds that such a law would deprive employees of the right to choose employment as employees or as contractors. The law, “sets a new, three-prong test for companies to use when determining how to classify their workers. To be labeled a contractor, a worker must be free from control of the company; performing work ‘outside the usual course of the hiring entity’s business; and engaged in an independently established trade, occupation or business of the same nature as the work they are performing.”^[1]

Several companies, including Uber and Lyft, have protested the law for various reasons, but it boils down to money. The law requires workers to be paid fairly, receive insurance, and otherwise be considered a true employee of the company, as opposed to a low-level contractor.

“We expect big corporate interests—especially those who have misclassified their workers for years—to take this fight back to the place they know they can delay justice for workers: the courts,” the bill's author, Democratic Assemblywoman Lorena Gonzalez of San Diego, said in a statement.^[2]

¹ Don Thompson and The Associated Press, “California’s New Gig Economy Worker Law Faces First Lawsuit,” *Fortune*, November 13, 2019, <https://bit.ly/34QPHog>.

² Don Thompson and AP, “California’s New Gig Economy.”

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