



July 5, 2022

Honorable Gavin Newsom
Governor of California
1021 O Street, Suite 9000
Sacramento, CA 95814

RE: Request For Executive Action – AB 5 Implementation

Dear Governor Newsom,

We, the undersigned members, respectfully request that you utilize your executive powers to assist the trucking industry in California as they prepare for the imminent implementation of AB 5 (Chapter 296, Statutes of 2019). Due to the Supreme Court's decision to not hear the California Trucking Association's petition of the Ninth Circuit U.S. Court of Appeal's ruling, the fate of California's trucking industry is in question.

The importance of the trucking industry to the economy of California, let alone the United States as a whole, cannot be understated. California's ranking as a world economy is due in part to its ability to move more than 40 percent of the nation's products through its ports. However, the historic ongoing congestion felt at our State's ports exposed the dire need for a stronger and more reliable supply chain infrastructure. To this end, the state has openly expressed the need for an increased workforce, yet the available supply of drivers, "owner-operator" or otherwise, will be drastically reduced given the imminent application of AB 5 to the trucking industry.

The independent owner-operator trucker has long been the backbone of the trucking industry. There are approximately 500,000 owner-operators nationwide, constituting about 15-20% of the entire driver workforce. Within California, the driver workforce is comprised of a majority-minority demographic, with over 50% Latino, and an overwhelming percentage of small-business companies that operate 5 or fewer trucks within their fleet (91.8%). Sadly, these are the individuals who stand to lose the most as AB 5 takes effect within the state.

Given the critical role of our truck drivers in maintaining our supply chain, we implore you to take any means within your authority to either delay the implementation of AB 5 or exempt the trucking industry altogether from the ABC test. Without immediate action, we can expect a devastating reduction in our driver workforce, especially among minority-operated businesses.

Furthermore, without immediate relief, the cost of products in stores will rise due to higher shipping costs. This will fuel inflation, since shipping is a key component in the price of products. Californians are already

suffering heavily from inflation and should not be subjected to additional price rises as a result of AB 5. At this critical juncture, we ask that you utilize all resources at your disposal to prevent this looming disaster.

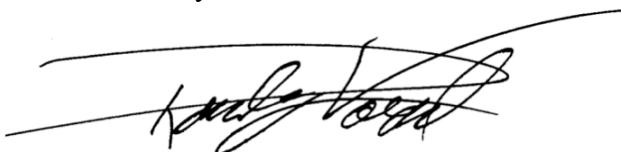
Sincerely,



Devon J. Mathis
Assemblymember, 26th District




James Gallagher, Republican Leader
Assemblymember, 3rd District



Randy Voepel
Assemblymember, 71st District



Heath Flora
Assemblymember, 12th District



Thurston "Smitty" Smith
Assemblymember, 33rd District



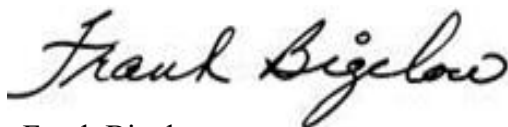
Kelly Seyarto
Assemblymember, 67th District



Steven Choi, Ph.D.
Assemblymember, 68th District



James Patterson
Assemblymember, 23rd District




Frank Bigelow
Assemblymember, 5th District



Marie Waldron
Assemblymember, 75th District



Vince Fong
Assemblymember, 34th District



Laurie Davies
Assemblymember, 73rd District



Kevin Kiley
Assemblymember, 6th District



Janet Nguyen
Assemblymember, 72nd District



Suzette Valladares
Assemblymember, 38th District



Jordan Cunningham
Assemblymember, 35th District

CC:


The Honorable Anthony Rendon, Speaker of the Assembly
Stuart Thompson, Office of Legislative Affairs – Governor Newsom
Suzane Sutton, Assembly Republican Caucus
Paul Dress, Assembly Republican Caucus
Lauren Prichard, Assembly Republican Caucus



Philip Chen, Ph.D.
Assemblymember, 55th District



Megan Dahle
Assemblymember, 1st District



Tom Lackey
Assemblymember, 36th District