

TESTIMONY ON S4204

Given before the Senate Labor Committee 11/14/19

My name is Lisa Yakomin, and I am the President of the Association of Bi-State Motor Carriers. Our members move a majority share of the freight that passes through the Port of NY & NJ, and **we are strongly opposed to S4204.**

I came here to share with you the devastating impact this bill would have if it becomes law in NJ, and these negative consequences that I'm discussing are not hypothetical.

We are seeing this same scenario unfolding in California, with the passage of Assembly Bill 5, which enacts restrictions similar to S4204. AB5 was signed into law so quickly, that only now--when it is too late--are CA legislators beginning to fully realize what they have done. AB5 effectively eliminates the Independent Owner Operator model, and it's estimated that more than 70,000 truckers will lose their jobs. Truckers are protesting in the streets, faced with losing the businesses that they have spent years building--their American dream now shattered, by the hasty passage of flawed legislation. We cannot let that happen here--and yet, here we are.

This bill would shut down the Independent Owner Operator trucker model in our state--the business model used by 77% of the drivers registered at the Port of NY & NJ, crippling our ability to transport freight.

This bill was filed barely one week ago--not nearly enough time to gather and prepare all of the testimony that is necessary in order for this Committee to make a fully-informed decision on an issue with this level of complexity. **And no one reached out to the intermodal trucking community before filing this bill.**

If the sponsor had met with us prior to filing this bill, I would have informed him that preserving the Owner Operator trucking model is essential to the intermodal industry. Independent Contractors provide crucial flexibility that our industry requires in order to function. Freight volumes ebb and flow seasonally, and motor carriers must have the ability to expand and contract their workforce accordingly.

If forced to switch to full-time employee drivers, the tremendous cost increases will be shifted to shipping customers, who will then pass that burden on to the consumer via higher prices, sharply increasing the cost of living and working in the State of New Jersey. New Jersey already has one of the highest costs of living in America, and is now ranked first in the nation for residents moving out of state. We cannot enact laws that make it even more expensive to live and work here, but S4204 would do exactly that--and our low income and middle class residents will feel that squeeze the most.

S4204 will cost NJ jobs, revenue, and market share. If the cost of doing business at the Port of NY & NJ goes up, shippers can easily divert their goods to other Eastern ports--Philadelphia, Baltimore, Boston, and Norfolk--taking New Jersey's revenues and jobs with them.

The push to eliminate Independent Owner Operators is an attack on the intermodal transportation community's ability to function, and minority residents in NJ will be hit the hardest. According to the NJ Dept. of Labor, the Transportation, Logistics and Distribution industry has a larger share of the minority resident workforce than any other industries in our state. As such, under this bill, these minority business owners who live and work in NJ will find themselves unable to stay here, if they want to continue owning their own truck and working as an Independent Owner Operator.

Just as we are now seeing in California, these NJ residents--law abiding citizens who have done nothing wrong--will be forced to move in order to keep the businesses that they worked so hard to build.

For all of these reasons, I am urging you to vote NO on S4204. Put the brakes on this bill, and give the members of the port community the time we need to meet with the sponsor directly, so that we can provide him with a full and accurate picture of the consequences that will result from this legislation in its current form. Our legislature should be taking steps to protect the Independent Owner-Operator trucking model in New Jersey, not eliminate it. But we must work together, with full transparency, and take the time to get it right.

We need to take a more measured approach than those in California, closely monitor what is happening there, and learn from their mistakes. New Jersey has an opportunity here, to demonstrate true leadership on this issue, and take concrete steps to permanently preserve Independent Contractor status for the intermodal drivers who serve our port.

We must take action to protect the rights of the overwhelming majority of hard-working men and women in NJ's trucking industry who want to remain independent business owners...and in doing so, allow them the freedom to pursue the American Dream, and to have the same opportunities as anyone else.

Thank you for your time and consideration.