



How Chris Christie shortchanged NJ truck drivers: Op-ed

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By Sarah Leberstein and George Miranda

Tying up George Washington Bridge traffic isn't the only way the Christie administration toyed with New Jersey motorists last year. With a stroke of his pen, Gov. Chris Christie vetoed legislation that would have held trucking companies accountable for illegally [misclassifying workers as independent contractors](#) — a rampant problem in the industry.

Christie's gift to trucking industry lobbyists robs New Jersey truck drivers of millions in wages and benefits, and costs taxpayers millions in revenue each year — an estimated \$4.2 million in unemployment insurance contributions from misclassified port truck drivers alone.

In New York, meanwhile, Gov. Andrew Cuomo signed into law the [New York State Commercial Goods Transportation Industry Fair Play Act](#), making New York the first state to adopt misclassification protections specifically for the trucking industry. The law, which goes into effect this month, creates a straightforward test for determining drivers' status and includes meaningful civil and criminal penalties against employers who purposely misclassify drivers. The new law could boost wages and protections for some 28,000 misclassified truck drivers, including many employed by industry giants such as FedEx Ground.

New York's law makes sense because so much more than the truck drivers' livelihoods is at stake. Independent contractor misclassification, also known as payroll fraud, drains New York's coffers of much-needed tax revenue.

A similar measure aimed at the construction industry passed in 2010 and has already helped New York recover millions of dollars in unpaid wages, state and local taxes, unemployment insurance contributions and workers' compensation premiums.

New York's law also levels the playing field for law-abiding employers who are being undercut by firms that illegally suppress their labor costs. The new law raises up responsible trucking companies that offer good wages and benefits and will now be better able to fairly compete for contracts and grow their businesses. Christie's veto, on the other hand, hurts New Jersey companies that do right by their employees and play by the rules.

A new report shows 49,000 of the nation's 75,000 port truck drivers are misclassified as independent contractors — and that by treating employee drivers as independent contractors, companies are violating numerous state and federal laws concerning wage-and-hour standards,

income taxes, unemployment insurance, organizing, collective bargaining and workers' compensation.

The companies that engage in this illegal misclassification scheme save up to 30 percent of their payroll costs because they make workers bear the entire burden of payroll taxes and of workers' compensation liability. They also shift many of their business costs to their workers by making them "buy" their trucks from the companies through hefty payroll deductions, as well as forcing them to shoulder maintenance and operating costs that can bring wages below the minimum required.

Truck drivers have gone from pillars of the nation's middle class to symbols of its rising income inequality. When New York's Fair Play Act goes into effect this month, it will restore hope that jobs in the trucking industry can once again deliver decent paychecks and begin to build back New York's middle class. But in New Jersey, truck drivers and taxpayers aren't so lucky.

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