

June 2, 2023

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader Schumer and Minority Leader McConnell,

On behalf of the American Trucking Associations, I write you today to respectfully oppose the nomination of Julie Su to serve as U.S. Secretary of Labor. Trucking is a linchpin of the American economy that relies on the flexibility of a business model that empowers more than 350,000 owner operator and independent contractor entrepreneurs to grow their own businesses. As we highlighted in a March letter to the Senate Committee on Health, Education, Labor, and Pensions, we have grave concerns over Ms. Su's role in implementing California's disastrous AB5, which essentially outlawed this business model for trucking. Her responses to questions posed during Committee consideration of her nomination and a lack of outreach to the business community she would be charged with regulating have failed to reassure the trucking industry on how she would approach such an existential issue if confirmed to lead the Department of Labor.

More than 80% of U.S. communities rely entirely on trucking to meet their freight needs, and our industry moves 72.2% of the economy's total tonnage each year. Over the next decade, trucks will be tasked with moving 2.4 billion more tons of freight than they do today. More than 90 percent of the motor carriers who move that freight operate fleets of six or fewer trucks, and many entered into the industry as independent contractors and have continued to operate in that capacity. These small companies are vitally important to our supply chains, and the flexibility that the business model offers those working as independent contractors attracts women, minorities, and immigrants to fulfilling careers as truck drivers.

The trucking industry must oppose any nominee who considers California's AB5 a successful policy. That state bill was designed to strip independent drivers of the freedom of choice to operate as contractors. It wreaked havoc on tens of thousands of small businesses. It forced families to leave California to preserve their incomes and their way of life. Its destruction of the ecosystem of independent contractors in California would be an unparalleled disaster for our supply chains if rolled out nationwide. Freight would cease to move, and the American dream for hundreds of thousands of small businessmen and women could be eradicated.

The freight economy is highly cyclical with seasonal surges and variability in consumer demand, and it is complicated by chronic shortages of equipment and other resources. Trucking is only able to meet consumer expectations -- and the needs of families, businesses, and entire economic sectors -- with the support of independent contractors. The flexibility of independent contracting empowers women, minorities, and immigrants to build businesses as they see fit. Sikh drivers in northern California and Somali drivers in Minnesota are two shining examples of vibrant communities that have taken advantage of the freedom and opportunity available to trucking entrepreneurs. They are as much a part of the trucking industry and supply chain as any employee driver.

The trucking industry will continue to fight against regulations at the federal and state levels that threaten the independent contractor business model. We remain concerned by the notice of proposed rulemaking published by the Department of Labor's Wage and Hour Division in October 2022, because it would likely have a similar effect as California's AB5 unless the Administration changes course. Ms. Su already has significant authority over that rulemaking in her current position as Deputy Secretary of Labor and would have nearly complete authority to author a final rule if confirmed as Secretary. Our nation's truckers cannot support her elevation to that position given her demonstrated willingness to eliminate the independent contractor business model and throw supply chains into chaos, and her unwillingness to address this matter with the Senate or our industry.

Thank you for your attention to these concerns as you consider the nomination. We welcome the opportunity to engage with the Senate on the benefits that protecting the independent contractor business model in trucking have for Americans in all walks of life. Please do not hesitate to contact me if you wish to discuss these issues in greater detail either publicly or privately.

Sincerely,

A handwritten signature in cursive script, appearing to read "Chris Spear".

Chris Spear
President & CEO
American Trucking Associations