

CALIFORNIA'S ADVANCED CLEAN FLEET STANDARD

An opportunity to address deadly pollution and the systemic exploitation of California's truck drivers

California made history last year by adopting the world's first electric truck manufacturing standard that will alleviate dangerous pollution and save lives in what physicians call "diesel death zones." The new rule, taking effect in 2024, will require more than half of trucks sold in the state to be electric by 2036.

The California Air Resources Board has another opportunity to make history by adopting an Advanced Clean Fleet standard that will ensure these electric trucks get on the road where they're needed most.

One major hurdle to an equitable, affordable and coordinated shift to a 100% electric truck fleet is the exploitation of truck drivers through the harmful misclassification of most drivers as independent contractors rather than employees.

Electrifying Trucks Is Both an Environmental and Labor Justice Issue

MISCLASSIFICATION = *An employer - and often industry-level - practice* in which employers ***illegally classify*** their ***employees*** as ***independent contractors*** to avoid business costs associated with fulfilling employee rights guaranteed in U.S. state and federal labor, employment, and tax laws.



When a trucking company "misclassifies" a truck driver, it essentially forces that person into a modern day form of indentured servitude.

Misclassification Is Bad For Drivers, Equity and the Environment

Despite many of these drivers qualifying for legal protections as employees under the law, many trucking companies continue to misclassify their drivers as independent contractors, especially in the port trucking, local freight, local pickup and delivery sectors.

Drivers

- Over 500 Labor Commission investigations have found that trucking companies misclassified drivers to benefit their bottom lines through wage theft that unlawfully forces drivers to pay truck ownership costs.
- Wage theft in the wake of fleet turnover at the Ports of Los Angeles and Long Beach, as mandated by the 2008 Clean Truck Program, has been extensively documented in investigative reports as “modern-day indentured servitude.”
- Misclassification continues to be the dominant model in port drayage, specifically (up to 90% of operated vehicles), and other trucking sectors such as last-mile delivery, long-haul, and specialized short-haul segments.
- Misclassified drivers earn very low wages and are forced to finance high-cost trucks to comply with state mandates and requirements, undermining clean air objectives and placing undue burdens on poverty-stricken workers.
- The National Employment Law Project (NELP) found that by misclassifying employees, companies are able to save an estimated 30% of payroll expenses by diverting costs to truck drivers.

Environment

- As a result of the systematic barriers misclassified truckers face, only 61% of contracted drivers meet California’s Truck and Bus Emissions Rule (in comparison to 83% at large fleets).
- Non-compliance of air regulations is concentrated in the contractor sector of the trucking industry. Small fleets with one to three trucks represent almost half of all non-compliant vehicles in California, despite contractors representing only one fifth of total trucks covered by the state’s Truck and Bus Emissions Rule.
- The California Air Resources Board has been forced to spend billions of dollars to inefficiently subsidize misclassified independent contractors to adopt clean vehicles to comply with clean vehicle rules.

Equity

- Low compliance is due to misclassified drivers being unable to afford to upgrade to cleaner, more efficient trucks. This in turn leads to higher particulate matter pollution, mainly from diesel-powered trucks, that are concentrated in communities of color where ports, railyards, and warehouses are located.

The Advanced Clean Fleet rule presents a once-in-a-generation opportunity for CARB to address the exploitation of truck drivers, which would revitalize local economies and improve health and living conditions in environmental justice communities.

The fleet owner practice of “misclassifying” drivers has resulted in a **business model built on unfair labor practices that puts profits before people**. These drivers tend to be from low-income communities and communities of color, who have disproportionately borne the economic and health burdens of polluting technologies.

Advanced Clean Fleet Policy Recommendations

Thirty-two community, labor, climate, health, equity, and science-based groups submitted a letter to CARB outlining high-level recommendations to ensure the Advanced Clean Fleet standard meets stated electrification goals, sets a 100% electrification target and supports high-road trucking and charging infrastructure jobs, and ensure that the costs of zero-emission trucks do not fall on drivers.

- **The policy must prioritize zero-emission fleet vehicle transitions that maximize emission reduction benefits and technology investments in frontline environmental justice communities.** The dire health burdens CARB seeks to address with its rulemakings exist within and have been caused by a long history of discriminatory and exclusionary decision making.
- **The policy should go beyond the production targets in the Advanced Clean Trucks (ACT) standard and support the goal of transitioning all trucks to zero-emission vehicles by 2045.** The passage of the ACT standard in June 2020 was a significant step towards the widespread deployment of zero-emission trucks, yet it alone will not achieve the full transition to zero-emission trucks in 2045 set forth by CARB in the ACT resolution and Governor Newsom’s Executive Order N-79-20.
- **The ACF standard and complementary policies must support high-road trucking and charging infrastructure jobs, ensure the costs of zero-emission trucks do not fall on drivers, and include strong worker protections, particularly ending driver misclassification.** Key sectors of the trucking industry, particularly port drayage, delivery, and long-haul, are largely fragmented and underpinned by illegal business models where trucking companies unlawfully force drivers to bear truck costs by misclassifying them as “independent contractors.”

ADVOCATES AVAILABLE FOR INTERVIEW