The transportation sector is California’s largest source of greenhouse gas emissions, accounting for about 40% percent of the statewide total and 28% of the national total. Achieving emissions reductions from freight transport is essential in order for California to meet its target of reducing transportation emissions by 31% by 2030. Medium- and heavy-duty trucks generate almost one quarter of vehicular emissions, even though they make up just 3% of vehicles on the road.

Clean truck mandates that require increasingly stringent emissions limits on trucks, and millions of dollars of public subsidies for truck purchases or retrofits in advance of those mandates, are the main tools for achieving greenhouse gas reductions in the commercial trucking sector.
Ensuring that clean truck policies create family-supporting jobs in middle-class careers

Large portions of the trucking industry are characterized by poor wages and working conditions for truck drivers, and this has been exacerbated in some cases by climate policies. In trucking, the ubiquitous low-road labor practice of misclassifying truck drivers as independent contractors places the cost burden of purchasing or leasing and maintaining cleaner trucks on these low-income workers. Truck drivers who are misclassified as independent contractors have negligible power to set prices and therefore have no means to pass along the added costs to trucking companies, retailers, and ultimately consumers. This practice also leads to inefficiencies in fuel and truck usage; there is no incentive for trucking companies to rectify the problem of long idling periods, since they shift the cost of waiting to load or unload to the truck drivers. If drivers were properly classified as employees, trucking companies would have to bear these costs or avoid them through more efficient scheduling.

When the responsibility for reducing emissions is placed on those who have the fewest financial resources and the least market power, clean truck mandates are undermined. In fact, compliance with California’s mandates is lowest in that part of the trucking industry where independent contractors are most prevalent. Misclassification produces poor outcomes for both workers and the climate.

In order to spread the costs of replacing dirty trucks with cleaner ones across the entire industry (truck companies, retailers that purchase the shipped products, and ultimately consumers), states and the federal government should target their subsidies and other assistance to high-road trucking companies that directly employ drivers, rather than those that misclassify their truck drivers.

Case study: Building a High-Road Trucking Industry is Essential for Implementing Cleaner Truck Mandates

In 2008, the ports of Los Angeles and Long Beach instituted a phased ban of 2,000 older trucks and provided incentives for the purchase of lower-emission trucks. The City of Los Angeles sought to insert a requirement that companies must own or lease their trucks and employ their truck drivers. In response, the American Trucking Association sued and, after five years of litigation, the courts ruled that federal deregulation actions pre-empted the ports from requiring trucking firms to stop using independent contractors. As a result, 90% of drayage truck drivers remained independent contractors, and costs of compliance with the clean-truck mandates fell to these drivers. The companies paid upfront for clean trucks, but then deducted the costs of the trucks from workers’ paychecks through lease agreements that workers were required to sign.

While these legal barriers continue to impede efforts to shift the social and environmental costs of misclassification off the low-wage truck drivers, the federal government does have the power to address the problem through legislation. In the meantime, grassroots local and state efforts to reshape this industry continue. Port truck drivers, with the help of the Teamsters union, have taken the very labor-intensive and lengthy route to win the protections of employee status by filing individual claims against trucking companies for misclassification and wage theft. The California Labor Commissioner has awarded more than $45 million to at least 400 drivers to date for unlawful deductions from wages and out-of-pocket expenses. State legislation also now requires the clients of trucking companies, retailers like Target, Amazon, and Walmart, to take responsibility for the labor violations of the trucking companies whose services they use. Public agencies also have made efforts to attach labor standards to publicly-funded clean truck incentives. For example, the South Coast Air Quality Management District (SCAQMD) in southern California adopted rules to require the trucking firms they contract with to list any labor law violations adjudicated within the past three years in project applications, and prohibit lease-to-own arrangements involving district-funded trucks.

Enforcement of employee misclassification laws and full employee protections is essential to developing a high-road trucking industry capable of absorbing the costs of increasingly stringent emissions controls on trucks. Targeting public investment to assist with the purchase of low emissions trucks should be restricted to trucking firms that properly classify their truck drivers as employees.
Key recommendations for trucking

Job Quality Policies: to ensure family-supporting jobs and access for disadvantaged workers

Institute a responsible contractor policy for rebates, loans, pilot program grants, and other assistance and for all public agencies that contract-out trucking services that requires:

- Strict enforcement of all applicable labor and employment laws;
- Firms receiving public funds for the purchase of clean trucks to operate those trucks with their own employee drivers; and
- Firms receiving public funds for the purchase of clean trucks to be free of outstanding judgements against them for unpaid wages or other violations of labor laws.

The report “Putting California on the High Road: A Jobs and Climate Action Plan for 2030” offers a vision and plan for integrating economic and workforce development into major climate policies and programs to help achieve California’s major climate goals: achieving 2030 greenhouse gas emission reduction targets and transitioning to a carbon neutral economy by 2045. It was prepared by the UC Berkeley Labor Center and lead author Carol Zabin, and was submitted by the California Workforce Development Board to the state legislature in September 2020.

View the full report along with briefs in this series at: https://laborcenter.berkeley.edu/putting-california-on-the-high-road-a-jobs-and-climate-action-plan-for-2030/.