



*Client Advisory*

*January 7, 2019*

## **California Law Holds Shippers Responsible for Drayage Company Labor Violations Beginning January 2019**

Dear Valued Customer,

On September 22, 2018, the State of California passed a bill holding importers liable for labor violations committed by a list of port trucking companies with outstanding court judgments beginning January 1, 2019. The primary reason for this new bill, known as [SB 1402](#), is the commonplace misclassification of truckers as independent contractors rather than as employees.

*On January 2, 2019 the California Division of Labor Standard Enforcement released a list of port trucking companies with outstanding court judgments to avoid conducting business with until a resolution is met:*

<https://www.dir.ca.gov/dlse/Port-Drayage-Motor-Carriers-List/Port-Drayage-Motor-Carriers-List-Jan-02-2019.pdf>

### *What Does this Mean for Importers?*

Beginning January 2019, importers and cargo owners will share liability with trucking companies for wage and hour violations against drivers who haul freight for them.

To prevent incurring liability when importing through California seaports, cargo owners must avoid working with transportation companies with outstanding fines for

misclassifying drivers. OEC Group works exclusively with trucking companies in compliance with California State law in order to protect our clients.

*For additional information, please see the below January 2nd announcement from the California Division of Labor Standard Enforcement:*

<https://www.dir.ca.gov/DIRNews/2019/2019-01.pdf>

Should you have any questions regarding this update, please contact your Sales or Customer Service representative.

Sincerely yours,

**OEC Group**

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