



**Before the House Committee on Rules
House Bill 2498
March 4, 2019**

Testimony of Waylon Buchan, Government Affairs
Oregon Trucking Associations

Chair Holvey and Members of the House Committee on Rules,

Thank you for the opportunity to provide input on House Bill 2498. The Oregon Trucking Associations opposes the bill as introduced, because it would effectively prohibit the use of independent contractors in the trucking industry.

The trucking industry has used independent contractors, or owner operators as we call them, for decades. Becoming an owner operator is a way for a truck driver to establish their own business, dictate their schedule, and increase their income. Trucking companies rely on owner operators to expand their fleets and to meet fluctuating seasonal demands. This is an important tool in the current environment where truck drivers are in very short supply. According to the American Trucking Associations, America will be short 175,000 drivers by 2026. This is likely to result in freight delays and higher prices for consumers. HB 2498 would exacerbate this industry-wide problem by eliminating a substantial pool of qualified owner-operator drivers.

The use of independent contractors is different in the trucking industry in comparison to other industries because of the regulatory oversight by both the State of Oregon and the Federal government. Both the State and Federal governments have administrative rules governing the roles and responsibilities between lessees and lessors. Because of this unique arrangement, Oregon Law provides specific exemptions from workers compensation and unemployment insurance requirements for persons working as independent contractors in the trucking industry.

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Recently, the Oregon Supreme Court ruled on a number of cases regarding unemployment benefits and independent contractors in the trucking industry. In all cases, the Court found the use of independent contractors to be appropriate and the current exemption from unemployment requirements justified.

House Bill 2498 is too broad and will result in significant negative consequences for the trucking industry in Oregon. For these reasons, the Oregon Trucking Associations strongly urges this committee to oppose House Bill 2498.