

July 3, 2024

The Honorable Bill Cassidy
Ranking Member
Committee on Health, Education, Labor, and Pensions
United States Senate
Washington, DC 20510

Re: Request for Information on Portable Benefits for Independent Workers

Dear Ranking Member Cassidy:

On behalf of the Intermodal Association of North America (IANA), the leading transportation trade association representing the combined interests of the intermodal freight industry, I am writing to share our perspective on the importance of independent owner-operator truck drivers to the intermodal industry.

IANA represents more than 1,000 corporate members, including railroads, ocean carriers, ports, intermodal truckers and over-the-road highway carriers, intermodal marketing and logistic companies, and suppliers to the industry. Our mission is to promote the growth of efficient intermodal freight transportation – which improves the environment and reduces emissions. Moving goods in the most efficient and cost-effective way is paramount and a shared goal of our members.

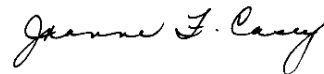
For decades, the independent contractor business model has been widely favored by intermodal motor carriers and drivers. Although employee-driver positions are readily available, over 80 percent of truck drivers supporting the intermodal freight industry have deliberately chosen to carry out their work as independent contractors. These drivers have made significant investments in their small business by obtaining and maintaining a Commercial Driver's License, purchasing a truck, and bearing associated operating costs attributable to registration, insurance, maintenance, and fuel.

Federal regulations such as the Department of Labor's 2024 final rule on "Employee or Independent Contractor Classification Under the Fair Labor Standards Act" and restrictive state laws like California's Assembly Bill 5 take a sweeping approach to worker classification and fail to consider the wide-ranging adverse impacts on our nation's supply chains, economy, and workers' livelihoods. These policies eliminate freedom of choice, divert workers from their chosen career path, and disincentivize small business ownership and entrepreneurial opportunities.

Once fully enforced, the DOL rule threatens to force the reclassification of over 400,000 intermodal drivers nationally – most of whom have chosen their profession *because* of the flexibility and autonomy associated with independent contractor classification, not in spite of it. As demonstrated by the COVID-19 pandemic and subsequent supply chain disruptions, truck drivers are essential to our economy and are entrusted with the monumental responsibility of delivering household goods, agricultural products, and industrial materials for American businesses and consumers. The same confidence and trust should be placed in their ability to choose the work arrangement and classification model that best aligns with their lifestyle, professional goals, and individual preferences. IANA strongly believes that intermodal drivers should be empowered to make this decision for themselves.

The uncertainty surrounding the status of their business and their continued ability to operate as independent contractors poses significant risks to intermodal drivers. The final rule creates an unpredictable future for these drivers, thereby disincentivizing them from making additional investments to support and grow their business, while also threatening to negate the substantial investments they have already made. Similarly, those entering the workforce or seeking a career change will be less likely to consider small business ownership within the trucking industry. IANA applauds your leadership on this important issue. We look forward to working with you and would welcome the opportunity to further engage with your office. If you or your staff have any questions, please do not hesitate to contact me at jcasey@intermodal.org or 301-982-3400 ext. 349.

Sincerely,



Joanne F. Casey
President and CEO
Intermodal Association of North America