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December 12, 2017

Councilmember Joe Buscaino, Chair, Trade, Travel, and Tourism Committee
Councilmember Curren Price, Chair, Economic Development Committee
City of Los Angeles
200 North Spring Street
Los Angeles, CA 90012

RE: File No. 17-0725-S1

Dear Councilmembers Buscaino and Price:

I write today in strong support of the Trade, Travel, and Tourism Committee report relative to strategies for addressing allegations of wage theft and employee misclassification of truck drivers and warehouse workers by companies operating on Port of Los Angeles property (File No. 17-0725-S1).

Several years ago, Shippers Transport Express, which has more than 125 drivers and is one of the largest drayage operators at the LA/LB port complex, made a decision to comply with all federal and state labor laws. As a result, we do not misclassify any of our port drivers. As part of our corporate culture, we also respect the rights of our drivers to have “freedom of association” and we did not interfere with our drivers’ efforts to organize and have Teamster representation.

While we primarily serve the Long Beach terminals. In 2016 Shippers made more than 253,000 gate moves, second only to the California Cartage Companies, which is now owned by NFI Industries (which made 300,000+ gate moves at POLA/POLB).

We are in a unique position in the LA/LB drayage market because we made a decision that would protect us from liability of misclassification litigation, and to protect our customers from labor unrest and other labor problems related to drayage operations. As a result, Shippers Transport Express operations and drivers significantly have improved the efficiency and cargo volume of several Long Beach Terminals.

Nevertheless, we are unable to compete for business in the “open” drayage market with companies like NFI/Cal Cartage and the hundreds of other companies that continue to use an independent contractor model that allows them to dramatically underbid us on the basis of lowering pay of their drivers and not paying their proper payroll taxes and workers’ compensation policies.

Simply put, in order for Shippers Transport to grow and create more good port driver jobs – the kind of jobs that lift up local communities – we need rules and policies that create a level playing field for all companies and the entire industry.

Thank you in advance,

A handwritten signature in black ink, appearing to read 'K. Baddeley', written in a cursive style.

Kevin Baddeley
General Manager