HUSCH BLACKWELL

LEGAL UPDATES   **PUBLISHED: OCTOBER 8, 2018**

Shippers, NVOCCs, Ocean Carriers, And Other Port Players to Be Liable to Port Drayage Drivers Under New California Legislation

Service

International Trade & Supply Chain

Professional

CARLOS RODRIGUEZ
WASHINGTON:
202.378.2365
CARLOS.RODRIGUEZ@
HUSCHBLACKWELL.COM

On September 22, 2018, Bill (SB-1402) was signed into law in California to become effective January 1, 2019. That law will make a "Customer" that engages or uses a port drayage motor carrier jointly and severally liable with that port drayage motor carrier if that carrier is listed on the website maintained by the Division of Labor Standards Enforcement. This ominous list will identify port drayage motor carriers which have been found liable to a port drayage driver for unsatisfied court judgments, assessments, orders, decisions, or awards, for port drayage services performed for which the drivers have not been paid or expenses for which they have not been reimbursed, plus damages, penalties and interest. The California Labor Office, Division of Labor Standards Enforcement, has already awarded in excess of $45 million to more than 400 drivers, and drivers have seen little of those awards. That is the immediate risk.

What This Means to You

To avoid exposure to these claims, Customers should review existing contracts for port drayage services and ensure that future agreements with port drayage motor carriers are financially viable and indemnify the Customers. The implementation of SB-1402 will require increased monitoring of the identity of port drayage motor carriers poste on the Division of Labor Standards Enforcement's list.

Learn More

To learn more about the law, visit our Technology, Manufacturing & Transportation Industry Insider blog here.

Contact Us

To learn more about how this bill can affect your business please contact Carlos Rodriguez or your Husch Blackwell International Trade & Supply Chain attorney.