



June 12, 2019

Assembly Member Lorena Gonzalez
California State Assembly
State Capitol Building, Room 2114
Sacramento, CA 95814

RE: AB 5 (Gonzalez) – SUPPORT

Dear Assembly Member Gonzalez:

The Writers Guild of America West (WGAW), on behalf of our members who write television shows, movies, news programs, documentaries, and online video programming, strongly supports AB 5 (Gonzalez), which will codify the California Supreme Court's unanimous decision in *Dynamex Operations West v, Superior Court* and clarify its application to workers in the state.

The California Supreme Court's Dynamex ruling represents one of the most important advances in workers' rights in decades. Since the 1970's, many companies have shifted from an employment model to an independent contractor model. In some cases, the change is made overnight; workers treated as employees one day are reclassified as contractors the next. Misclassification has resulted in lower wages, declining union density, and unfair competition for responsible employers. Growth of the "gig economy" has meant still more companies have taken advantage of misclassification of employees as independent contractors to cut costs while shifting risk onto workers. The WGAW represents thousands of writers who, without union representation, would likely be subject to a similarly precarious work environment devoid of healthcare coverage, retirement benefits, fair wage standards, and the ability to collectively negotiate working conditions.

Application of Dynamex will help California restore rights to workers who have been misclassified. It provides a clear and objective standard--known as the "ABC test"--to determine employment status. For a company to classify a worker as a contractor, the company must prove the worker is (1) free from employer control, (2) performing work outside the regular scope of the business, and (3) independently established in that trade. This test appropriately prohibits the common practice of employers forcing individuals to act as independent businesses while the employer maintains the right to set rates, direct work and impose discipline.

The ABC test is a clear legal standard that will produce tangible benefits if statutorily adopted through the passage of AB 5. It will be easier for state agencies to enforce proper classification, giving millions of workers the right to be correctly classified as employees. It will significantly benefit the state, as the California Department of Labor Standards Enforcement estimates that misclassification costs the state \$7 billion annually. Clarified standards will also benefit the vast majority of employers who follow the rules. Misclassification results in unfair competition and makes it difficult for responsible employers to stay in business. Our members rely on the

protections and benefits they receive as employees under the WGA's collective bargaining agreement. A clear test and improved enforcement will create a better business climate and improve working conditions for California employees.

For these reasons, the Writers Guild of America West is please to supports AB 5.

Sincerely,



David A. Goodman
President



Marjorie David
Vice President



Aaron Mendelsohn
Secretary-Treasurer

Cc: California Labor Federation