
Letter: Travel advisors would be hurt by new measure

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Dear Editor: I am really nervous about this. I am disabled and don't know what else I would be able to do if this bill passes.

I have been building my business, and all my hard work will be washed away. Plus, I will lose my health insurance that requires I am working.

If California Assembly Bill (AB) 5, currently making its way through the California Senate, is enacted without amendment, thousands of travel advisors in California and across the country will no longer have the option of rendering their services as independent business owners to the agencies that currently engage them.

Like many industries, travel agencies have come to rely heavily on the services of independent contractors. Specifically, agencies gain a measure of flexibility where traditional employment relationships are either impractical or uneconomical, while advisors have the freedom to set their own hours and schedules, establish their own rates, select the customers with whom they will work and market their own brands.

Unfortunately, current developments have put this mutually advantageous system at great risk. Last year, the California Supreme Court issued its decision in the case of *Dynamex Operations West, Inc. v. Superior Court of Los Angeles County*, 4 Cal, 5th 903 (2018), in which the court adopted the so-called "ABC Test" to determine a worker's status, as with an employee or an independent contractor, for purposes of wage order claims.

In doing so, the court overturned the common-law "right of control" test established in the *Borello* decision, upon which travel agencies and businesses in hundreds of other industries in California had relied upon for nearly three decades.

Recently, the American Society of Travel Advisors conducted an industry survey to assess the likely impact of this harmful legislation on the independent-contractor community. The preliminary results paint a clear picture.

First, this is an established industry that is about to be thrown into upheaval by AB 5. More than half of independent contractors have been in their role for more than seven years.

The vast majority of respondents to the ASTA survey (85%) are very satisfied with their status, and 93% of independent advisors reported that the freedom to set their own hours and work schedules was an important

factor in choosing the business model.

If required by law to become agency employees, 41% of independent advisors report they would choose to leave the industry, or would leave the state for one that allows them the flexibility they currently have.

Passage of the bill would mean that thousands of independent advisors will no longer have the option of rendering their services as independent business owners to the agencies that currently engage them.

As the bill has moved through the Legislature, exemptions have already been added for insurance agents, physicians, dentist, direct salesperson, real estate agents, barbers, architects and others. We are a professional industry with a business model not unlike real estate agents. An exemption must be made for travel advisors.