



1665 Willowmont Avenue
San Jose, CA 95124-3234

6 September 2019

The Honorable Anthony Rendon
Speaker
State Capitol, Room 219
Sacramento, CA 95814

Dear Speaker Rendon:

I am contacting you on behalf of members of the Institute of Electrical and Electronics Engineers – USA (IEEE-USA) in California with concerns about AB 5. IEEE represents over 33,000 technology professionals in California. We are concerned that the bill could unintentionally ban most technology consulting in California, including software and aerospace consultants. This would be a tremendous blow to Silicon Valley's and California's uniquely entrepreneurial culture.

Among other conditions, AB 5 would define individuals as employees, rather than independent contractors, unless "The person performs work that is outside the usual course of the hiring entity's business." This means, for example, that companies employing computer programmers cannot also hire computer programmers as independent contractors, usually for defined short-term projects.

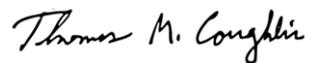
The problem is that using contract employees for short-term projects is a standard business practice for many California technology and aerospace companies. It is also a popular career choice for tens of thousands of technology professionals in our state. For many skilled engineers (including me, for the past 20+ years) consulting gives us freedom and flexibility that no regular job can offer. It also frequently offers better pay than a conventional job. Consulting gives California businesses access to exactly the right skills they need, when they need us – which is part of the reason our state is so innovative and entrepreneurial.

There is an exemption in AB 5 for engineers, but it only applies to engineers with a state issued license. This is fine for civil engineers and a very few electrical engineers, but most technology professionals are not licensed – they can't be because no appropriate licenses are offered in most tech fields. Using myself as an example again, I've worked productively in Silicon Valley since 1987 without any professional licenses. There are no professional licenses available in my field (Digital Storage and Memory Technology and Applications) in any state.

AB 5 also includes an exemption for sole proprietorships and other legal structures in which a consultant could work. This is helpful, as many of our experienced IEEE consultants have built formal businesses around their work – but many others haven't. Requiring new consultants to form an LLC, sole proprietorship or other legal entity before starting their work as a consultant would constitute a significant barrier to entry for many wanting to enter this field, limiting the number of consultants and therefore reducing the competitiveness of our tech economy.

On behalf of the IEEE members in California, I ask that you amend AB 5 to exempt all technology professionals from the new contractor rules. California's tech sector currently operates better than any other such sector on the planet. As written, AB 5 could do serious harm to the working conditions and access to talent that made Silicon Valley, and all of California, the envy of the entire world.

Sincerely,

A handwritten signature in black ink that reads "Thomas M. Coughlin". The signature is written in a cursive, slightly slanted style.

Thomas Coughlin
2019 IEEE-USA President