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**Sent:** Friday, September 28, 2018 3:44 PM

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**Subject:** RE: Digital App-based Micro Mover Task Force Recap

Good Afternoon Amanda –

Thank you for the opportunity to comment on the “Digital App-based Micro Mover Task Force” issues you have provided.

Interstate and foreign commerce freight and household goods industry Brokers have been in existence for years. The Federal Motor Carrier Safety Administration (FMCSA) web site, “Protect Your Move”, defines a HHG Broker at the Interstate level as follows –

- a. *As defined at the interstate level, “A moving broker is a company that arranges for the transportation of your cargo, utilizing for-hire carriers to provide the actual truck transportation. **Moving brokers are sales teams that book your move and then sell it to an actual moving company.**”*
- b. **A HHG moving broker is not a mover.**
  - (1.) *A HHG broker does not assume responsibility for, and is not authorized to transport a consumers household goods.*
  - (2.) *HHG brokers do not have moving trucks or professional movers.*
  - (3.) *HHG brokers for intrastate moves must be required to use only movers that are registered with WUTC.” Only in this way will the Commission know and the consumer know they are protected from illegal, underground economy operating HHG carriers.*

This same guidance should be in place at the Intrastate level within Washington State.

Presently there is no such guidance nor rules in place at the intrastate level in Washington State for brokered intrastate HHG movements. The WUTC presently has a Washington Administrative Code, WAC 480-12, in place for intrastate brokers of freight, but no mention of intrastate brokers of HHG shipments. Can this be changed? We'll see.

App-Based Micro Movers using Smartphone App technology are attempting to bring “Uber type technology” to the regulated intrastate moving industry. By using Smartphone App technology they are reaching customers who have a need for transport just as telemarketing, company web sites, other web sites like “Craig’s List”, and the old fashion Yellow Pages do.

The App-Based Micro Mover uses “Helpers” to perform the transport. These “Helpers” are independent contractors. We all know independent contractors must be free of direct control by the hiring source. The general rule is that an individual is an independent contractor if the hiring

entity only has the right to direct the result of the work and not what will be done nor how it will be done.

App-Based Micro Movers justification for their business ventures centers mostly on the younger generation of consumer wanting action quickly and simple but does apply across the spectrum of all users. Consumers don't have time to consider the importance of -

- a. The necessity of background checks of folks coming into their homes? (WAC 480-15-555)
- b. What valuation levels and safeguards are in place for their goods while in the custody of the App-Based Micro Mover?
- c. What happens if their items are damaged or lost? (WAC 480-15-800; 810; and 830) or
- d. Are they being charged a fair price? (WAC 480-15-490)

The above are all valid concerns and needed Consumer Protections.

Is there room for intrastate HHG Brokers (App-Based Micro Movers) in a regulated environment? Maybe, if prudent regulation of intrastate HHG Brokers (App-Based Micro Movers) is in place by the WUTC AND the intrastate HHG Brokers choose to work with properly regulated HHG carriers to perform the work.

Will the App-Based Micro Movers simply be servicing customers who purchase a davenport or the like at a garage sale with a pick-up truck? Or will they be doing much larger scale work such as moving entire contents from within a customer's apartment or their home? You can read it either way depending on which of the web sites of App-Based Micro Movers you look at. But either way - consumer protections are needed.

I am not exaggerating; here is what I have found on local web sites -

1. *"All payment is handled in-app which is why a credit card is required before you can book a job. Once you book your move we will charge your credit card. Any changes made to your move that affect the final cost will be issued (charged or refunded) to your credit card after your move has been completed."* **QUESTION:** In what format is the Billing document?
2. *"I have a pickup truck, box truck, or cargo van and can lift over 75 lbs – Apply Now".* **QUESTION:** Who will be doing the Background Screening? (WAC 480-15-555)

The following is what the Washington Movers Conference believes the Commission must consider putting in place via Washington Administrative Code to level the playing field. We can't have regulatory and consumer protection rules for properly licensed and Permitted HHG moving companies and no regulation or consumer protection guidelines in place for intrastate HHG Moving Broker (App-Based Micro Mover) businesses.

As a minimum, Intrastate HHG Broker businesses (App-Based Micro Mover) must –

1. Be registered as an Intrastate HHG Moving Broker (App-Based Micro Mover) by the Washington Utilities and Transportation Commission (WUTC);
2. Be required to complete a Background Check on each employee employed by the HHG Moving Broker;
3. Use only Commission approved intrastate moving companies that have obtained a valid intrastate HHG Operating Authority to perform the carriage;
4. Provide the Commission and their customers with a list of the valid moving companies they use for transporting the customers goods;
5. Reference in their advertisements their physical business location, their telephone numbers, their WUTC HG Brokers license number, and their status as an intrastate HHG Broker **who does not transport the customer's household goods;**
6. Be required to complete an appropriate WUTC Annual Report and pay appropriate regulatory fees.
7. Insure intrastate HHG Moving Brokers (App-Based Micro Mover) collect any fees for arranging for the transport of the customer's household goods from the customer. Note: Regulated moving companies do not want to be the ones providing the revenue stream for intrastate HHG Moving Brokers (App-Based Micro Movers) businesses!

Additionally, have guidance in place for the intrastate HHG carriers they have agreements with that provides the consumer –

1. With at least an electronic copy of the "Consumer Guide – Moving in Washington State";
2. A binding or non-binding estimate prepared IAW with WAC 480-15-630 and 660) that is based upon Rates and Charges contained in the WUTC HHG Tariff 15-C;
3. With a completed HHG Inventory Form of the goods being shipped prior to taking possession of the household goods shipment for the customer's protection;
4. A Uniform Household Goods Bill of Lading for proper and legal billing; (WAC 480-15-710)
5. With necessary proper liability and cargo insurance coverage; (WAC 480-15-530 and 550) and;
6. With guidelines on how their "Customer Complaint and Claims Program" will work; (WAC 480-15-800; 810 and 830)

All of the above can be put into the Independent Operator Contracts the App-Based Micro Movers have for those businesses they hire as independent contractors.

There may be more requirements the Commission staff foresees needed to include with the above. For example, what about bonding? Some of these folks, as shown on their Smartphone Apps, are collecting monies upfront for the move even before the move takes place. What will their final billing document look like and when will it be presented?

Will App-Based Micro Movers be subject to WUTC Consumer Protection audits?

If regulated intrastate HHG moving companies will be competing in the market place with presently unregulated intrastate HHG Moving Brokers (App-Based Micro Movers); the **playing field** and the respective **rules of play** must be developed and be the same for all participants. The Washington Movers Conference does not want to preclude anyone from earning a living, but in the regulated environment, **there must be a level playing field.**

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**Subject:** Digital App-based Micro Mover Task Force Recap

Hey everyone,

As promised at the last task force meeting, I have attached a brief recap of the previous meeting along with some general questions to review and comment on. In addition to responses to the attached questions, please take this opportunity to inform the task force of your position, concerns, recommendations and observations after your review of the draft crosswalk. The UTC will be incorporating these responses into the draft report to the legislature. In order to give you time to review the various drafts, please have your feedback to us by Friday, Sept. 28.

Thanks,

**Amanda Hathaway**

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