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August 10, 2018

Mr. Mike Dotson
Licensing Services Specialist
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P.O. Box 47250
Olympia, Washington 98504-7250

RE: *Application for Household Goods Moving Authority*
Docket No. TV-180605

Dear Mr. Dotson,

I. Background and Requested Relief

1. Pursuant to Washington Administrative Code Section 480-15-035, Dolly respectfully requests exemptions to Household Goods Carrier rule sections WAC 480-15-490, 500, 530, 550, 555, 610, 620, 630, 710, and 750. WAC 480-15-035 provides that the Commission may grant an exemption from the provisions of any rule in WAC chapter 480-15, if the request is consistent with, “the public interest, the purpose of the underlying regulation, and applicable statutes.”
2. When determining the requisite “public interest” test, WAC 480-07-110 states the Commission will consider, (1) “whether the rule imposes an *undue hardship* on the requesting person of a degree or a kind different from hardships imposed on other *similarly situated persons*”, and (2) “whether the effect of applying the rule to the requesting person would be *contrary to the underlying purposes of the rule and the public interest.*”
3. For the purpose of the “public interest” test, common carrier brokers are the companies that are the most “similarly situated” to Dolly because similar to brokers, Dolly:
 - Owns no vehicles,
 - Employs no drivers,
 - Does not transport any goods of any kind,

- Connects consumers who post jobs with details about what they need help with (e.g. time, location and items for transport) with background-checked, independent contractors who own consumer-sized pick-up trucks,
- Does not control how the independent contractors perform or complete the move (all jobs are completed at the truck-owner's and customer's discretion and direction),
- Collects payments from the customer, and
- Contracts with a third-party payment processor that distributes payments to the independent contractors

4. Dolly is merely the marketplace that facilitates the transportation of household goods.

The purpose of the provisions Dolly requests to be exempted from are intended to regulate either activities it does not engage in, property it does not own, or individuals it does not employ.

Much like common carrier brokers, who are principally excluded from Commission laws and regulations, Dolly does not transport the household goods or enter into any agreement to do so.

5. Further, Dolly's business model is not intended to facilitate moving an entire home or apartment. In fact, Dolly's customers very rarely request those types of moves due to Dolly's pricing algorithm intentionally making them extremely cost prohibitive and time consuming. To complete such a move using Dolly's platform, the customer must input every single item to be moved individually; for example, each chair, towel, book, etc. In short, Dolly's natural marketplace competition is not regulated household goods movers who perform whole-home moves. Rather, Dolly's competitors are friends of potential Dolly customers who own pick-up trucks and can lift one or two heavy or bulky items. For traditional home moves, Dolly is just simply not a viable alternative or solution.

II. Exemption Requests

6. The Commission has consistently viewed the public interest standard as protecting, "the interests of customers of regulated utilities, not those of unregulated competitors." See *Cost. Mgmt. Srv., Inc. v. Wash. Util. and Transp. Comm'n (Cost Management Services)*, Dockets UG-061256, et al, Order 06, ¶ 24 (Oct. 12, 2007)). Here, if companies like Dolly did not exist, consumers who need large, heavy, bulky items transported, would call a friend with a truck, or find someone by posting an ad on a utility pole or online classified page. Both of those results lead to the goods being transported by unregulated individuals. In other words, under the public interest the Commission must favor granting Dolly's permit application over leaving the market to be served by "unregulated competitors." However, for purposes of the public interest test, as

applied to granting exemption from the below rules, Dolly believes common carrier brokers, who are regulated un WAC chapter 480-12, are the most “similarly situated” to its business model.

1. Dolly Requests an Exemption from WAC 480-15-490 and 500

7. WAC 480-15-490 requires household goods carriers to purchase and display at least one copy of the current tariff, and pay applicable tariff maintenance fees. WAC 480-14-500 defines the fees household goods carriers and other subscribers must pay for tariff maintenance service and establishes procedures for billing tariff subscribers for annual tariff maintenance service and defines administrative actions that may be instituted should a household goods carrier fail to remit appropriate fees. It is not possible for Dolly to ensure that all of the independent contractors using its platform obey the tariff.

8. The rules impose an undue hardship on Dolly because similarly situated companies, such as common carrier brokers are not required to comply with Commission tariffs. The tariff applies to the regulated carries who use the brokers’ service, much like the independent contractors who use Dolly’s platform. Because the independent contractors perform the household goods moves, the Commission tariff is best applied to them, not Dolly. Additionally, the underlying purpose of the rule is to ensure transporters of household goods comply with the Commission tariff. As such, it is in the public interest to not apply the Commission tariff to a broker of household goods such as Dolly but rather to the independent contractors who use Dolly’s platform.

2. Dolly Requests an Exemption from WAC 480-15-530

9. WAC 480-15-530 outlines the public liability and property damage insurance requirements imposed on household goods carriers. As stated above, Dolly does not own, lease, or rent any motor vehicles. Accordingly, Dolly requests an exemption from this provision. However, Dolly carries a liability insurance policy covering the independent contractor’s customers’ property in the unlikely event of a loss; that policy is submitted with this filing.

10. The rule imposes an undue hardship on Dolly because similarly situated companies, such as common carrier brokers, are not required to insure the consumers’ goods. Additionally, the underlying purpose of the rule is to ensure customers’ goods are insured, which they are. As

such, it is in the public interest to grant Dolly an exemption from this rule because Dolly already insures the consumers' goods and should not be required to purchase additional insurance.

3. Dolly Requests an Exemption from WAC 480-15-550

11. WAC 480-15-550 outlines the cargo insurance requirements imposed on household goods carriers. As stated immediately above, Dolly carries a liability insurance policy covering the independent contractor's customers' property in the unlikely event of a loss. Because Dolly does not own, lease, or rent vehicles, Dolly requests that it not be required to obtain cargo insurance.

12. The rule imposes an undue hardship on Dolly because similarly situated companies, such as common carrier brokers, are not required to obtain cargo insurance. Additionally, the underlying purpose of the rule is to ensure customers' goods are insured and Dolly provides \$300 of free damage protection for the customers goods. As such, it is in the public interest to grant Dolly an exemption from this rule because Dolly already insures the consumers' goods and offers additional coverage at only \$1 for every additional \$100 covered.

4. WAC 480-15-555 Conflicts with City of Seattle Ordinance and Washington State Law

13. WAC 480-15-555(3) conflicts with the City of Seattle's Fair Chance Employment Ordinance which restricts how employers can use conviction and arrest records during the hiring process and course of employment within City limits. Contrary to the rule which prohibits the hiring of any person convicted of certain offenses within the past five years, the Ordinance does not permit prospective employers to deny job opportunities based on criminal record alone; employers must state a legitimate business reason not based on criminal background for denying employment.

14. Additionally, WAC 480-15-555(3) is in direct conflict with RCW 9.96A which says a person cannot be denied a job solely based on a felony conviction. A person may be denied a job if the conviction directly relates to the job and if less than ten years have passed since the conviction. It is in the public interest to grant Dolly an exemption from this rule because it conflicts with existing laws.

5. Dolly Requests an Exemption from WAC 480-15-610

15. WAC 480-15-610(1) imposes restrictions and requirements on a household goods carriers' advertising. Dolly does not transport household goods and does not advertise that it transports household goods. All Dolly advertising clearly states that Dolly only connects customers with individuals who transport household goods. The Commission has stated that because Dolly's advertisements do not state that it does not transport household goods that it therefore transports household goods. This is tantamount to saying that because Dolly's advertising does not state that it does not move goods via rail (a regulated activity) that it therefore advertises that it moves goods by rail. Such a standard is not in the public interest and imposes an undue hardship on Dolly because similarly situated companies, such as common carrier brokers, are not required to state what other regulated activities they do not perform in their advertisements. Complying with the rule under the Commission's standard would lead to confusion on the part of its customers in Washington because they may misinterpret Dolly's compliance with the rule to mean that Dolly transports their goods. Additionally, the underlying purpose of the rule is to ensure advertisements are truthful and accurate. As such, it is in the public interest to grant Dolly an exemption from this rule because Dolly's advertisements are currently accurate and the rule is intended to apply to carriers who actually transport, or actually advertise that they transport, household goods.

6. Dolly Requests an Exemption from WAC 480-15-620

16. WAC 480-15-620 requires carriers to provide customers with a Commission publication when the customer receives its written estimate. Although Dolly provides customers with a written estimate, Dolly only interacts with its customers via the Internet. The independent contractors who transport the customer's goods are in the best position to provide customers with the Commission's publication. Dolly is available in states other than Washington and would have to completely overhaul its software program to be able to comply with the rule. This would pose a financial burden and undue hardship on Dolly.

17. It is in the public interest to grant Dolly an exemption from this rule because like other common carrier brokers, Dolly does not have a direct relationship with the customer. Additionally, the underlying purpose of the rule is to ensure customers receive the Commission's publication during the transaction. Dolly assures the Commission that it will continue to inform the independent contractors of the obligation to provide the customers with Commission's publication.

7. Dolly Requests an Exemption from WAC 480-15-630

18. WAC 480-15-630 imposes an undue hardship on Dolly because similarly situated companies, such as common carrier brokers, do not have to comply with the tariff or inspect the consumer's goods. The tariff applies to the regulated carries who use the brokers' service, much like the independent contractors who use Dolly's platform. Because the independent contractors perform the household goods moves, the rule is best applied to them, not Dolly. Additionally, the underlying purpose of the rule is to ensure customers receive clear and transparent estimates. Customers are very satisfied with Dolly's estimates and pricing, as Dolly consistently receives ratings of 4.5 (out of 5) and higher from customers. As such, it is in the public interest to grant an exemption from the rule because the underlying purpose of the rule is being fulfilled.

8. Dolly Requests an Exemption from WAC 480-15-710

19. WAC 480-15-710 requires carriers to issue customers a bill of lading containing information from Tariff 15-C, Item 95. The rule imposes an undue hardship on Dolly because similarly situated companies, such as common carrier brokers, do not have to comply with the rule. The tariff applies to the regulated carries who use the brokers' service, much like the independent contractors who use Dolly's platform. The underlying purpose of the rule is to ensure transporters of household goods comply with the Commission tariff. As such, it is in the public interest to not apply the Commission tariff to a broker of household goods, such as Dolly, but rather to the independent contractors who use Dolly's platform.

9. Dolly Requests an Exemption from WAC 480-15-750

20. WAC 480-15-750 requires carriers to follow the requirement of Tariff 15-C as it applies to weight of the shipment. Dolly's software contains a feature that allows the customer to estimate the weight of the goods to be moved. However, the weight is not verified by Dolly or the independent contractors.


21. Many of the independent contractors who perform the moves do not have tare scales to weigh the goods as the vast majority of shipments would likely not register on those scales as they are typically small loads weighing less than 200 pounds. As a result, they too, rely on the customer's weight estimate. Requiring Dolly to base the price of a shipment on its weight causes

an undue burden because Dolly's proprietary pricing software algorithm uses several factors, including the customer's weight estimate, to determine the cost.

22. The rule imposes an undue hardship on Dolly because similarly situated companies, such as common carrier brokers, do not have to weigh the consumers' goods. Additionally, the underlying purpose of the rule is to ensure customers are not overcharged. Customers prefer Dolly because its prices are generally much lower than those of traditional household goods moving companies. As such, it is in the public interest to grant Dolly's exemption request.

III. Conclusion

23. As stated above, granting Dolly's exemption requests from the above regulations does not violate the public interest standard. Customers actually prefer Dolly's business model over that of a traditional moving company for transporting bulky purchases and Dolly provides more safety and transparency than the unregulated black-market that normally provides these services. In essence, by granted the above exemptions and issuing Dolly a household goods carrier permit, the Commission will be ensuring consumers use a regulated provider like Dolly, over unregulated service providers. Whereas, if the above rules are imposed on Dolly, Dolly would have to change its business model to mimic that of a traditional moving company, which would in turn force customers back to the unregulated service providers. Granting Dolly relief from the above rules actually helps ensure customers utilize a regulated public service provider.

Sincerely,


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