

March 31, 2022

Via electronic filing

Amanda Maxwell
 Executive Director and Secretary
 Washington Utilities and Transportation Commission
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 UTIL. AND TRANSP.
 COMMISSION

RE: *Inquiry to determine the appropriate process for clarifying whether Chapter 480-15 WAC allows household goods carriers to contract with third parties to provide services regulated by the Commission*

Docket TV-210737, *Comments Submitted on Behalf of Dolly, Inc.*

Dear Ms. Maxwell:

This firm represents Dolly, Inc. (“Dolly”), a Seattle-based company that provides a digital platform for local goods transportation. Dolly provides a software platform that uses modern marketplace dynamics to bring together demand and supply for these services. As such, Dolly’s service model is similar to that of a “transportation network company” (“TNC”). Dolly currently operates successfully in more than 35 states and the District of Columbia, though it does not operate as a household goods carrier in Washington.¹ We write to provide comments on behalf of Dolly for the Washington Utilities and Transportation Commission (“UTC” or “Commission”) Staff’s inquiry proceeding under Docket TV-210737 (the “Inquiry”).

Dolly appreciates the Commission’s recognition that the use of independent contractors in the household goods industry is an issue that may benefit from further guidance from the Commission. Dolly also appreciates the comments submitted by Public Counsel suggesting that any additional regulatory framework that the Commission may seek to develop should allow the household goods moving market to function and evolve, while protecting consumers.² Dolly also shares the Commission’s stated mission of providing

¹ Although Washington state is Dolly’s home market, it is the only market in which Dolly is not currently providing household goods services.

² See Comments of Public Counsel, UTC Dkt. No. TV-210737 (Dec. 8, 2021) (citing Public Counsel’s Response to Petition for Declaratory Order, UTC Dkt. No. TV-200348 (Apr. 30, 2020); see also Initial Comments of Public Counsel, *In re Application of Dolly, Inc. for Authority to Operate as a Household Goods Moving Company and Motor Freight Common Carrier*, UTC Dkt. No. TV-190594, ¶3 (Sept. 9, 2019).

safe, available, reliable, and fairly-priced services for Washington consumers and businesses.

General Comments

Dolly agrees with Public Counsel's statement in an earlier proceeding that "there is a need to adapt traditional regulatory frameworks to meet the realities of a 21st Century economy."³ These realities include the increasing demand for services purchased through platforms that, like Dolly, connect customers with independent third-party contractors. In part because of its independent-contractor-based business model, Dolly is able to provide unparalleled convenience, flexibility, affordability, and security to its customers.

Dolly believes that, while either a rulemaking or a policy statement from the Commission would help clarify the role of independent contractors in the regulatory scheme for household goods movers, a policy statement is the more appropriate process. Currently, neither the statute nor the rules for household goods movers prohibit a permitted company from using independent contractors to perform regulated services. In administering analogous statutory permitting requirements, that for auto transportation companies and common carrier services, the Commission previously determined that a carrier may use independent contractors and is not limited to using only equipment it owns or only its own employees to carry out its permitted functions.

Moreover, the Commission has now already paved the way for use of independent contractors to perform regulated services in the household goods market. Last year, the Commission appropriately extended its recognition of the use of independent contractors.⁴ Review of Bellhops Moving, LLC's ("Bellhops") application materials to the Commission in Docket TV-200978 makes clear that Bellhops relies on independent contractors to provide the authorized household goods services. Consistent with prior arguments advanced by Dolly with the Commission, no rule change was necessary for the Commission to grant this provisional authorization.

³ Initial Comments of Public Counsel, *In re Application of Dolly, Inc. for Authority to Operate as a Household Goods Moving Company and Motor Freight Common Carrier*, UTC Dkt. No. TV-190594 at ¶ 3 (Sept. 9, 2019).

⁴ See *In re Application of Bellhops Moving, LLC*, UTC Dkt. No. TV-200978 (*Approval Letter Granting Temporary Household Goods Authority, Subject to Conditions, Pending Decision on Permanent Authority*, UTC Dkt. No. TV-200978 (Feb. 8, 2021)).

Accordingly, no update to the rules appears to be required and a policy statement from the Commission, which recognizes appropriate available exemptions, should suffice to resolve any doubts. As the market has significantly evolved over recent years, driven largely by customer preferences and needs, Dolly supports the Commission's recognition of the need to review the existing regulatory framework and adaptability in light of the realities of the current economy and market in this arena. Dolly looks forward to working with the Commission and participating in and providing comments on any draft policy statement or proposed rulemaking.

Specific Questions Posed

1. Do you currently contract with third parties to provide either regulated household goods services or non-regulated services?

Dolly does not currently provide regulated household goods services in Washington.

Dolly does provide limited non-regulated services in the household goods market. Specifically, Dolly provides its Helpers as a "labor-only" service for moving furniture or other items within a house or other building where there is no vehicle transportation necessary. For example, moving items to/from a basement or attic or from room to room. This is the only type of household goods service Dolly currently offers in Washington. It does not provide transportation of any goods between two residences. For this service, consistent with its business model and platform, Dolly contracts with third parties ("Helpers") for these services.

Of note, in every other market that Dolly operates in, which covers over 70% of the metropolitan population in the United States, Dolly does contract with third parties to provide both regulated and non-regulated household goods services. In Massachusetts, Dolly is regulated to provide household goods services and is able to satisfy the Massachusetts Department of Public Utilities' (DPU's) requirements using Dolly's platform services and independent-contractor model. In over three years of operation, Dolly has successfully operated in this regulated marketplace, providing efficient and exemplary customer service, and has not had any regulatory issues with the DPU.

2. If you contract with third parties to provide regulated services, how do you ensure compliance with Commission rules related to background checks, safety requirements, etc.?

As set forth above, Dolly does not contract with third parties to provide regulated household goods services in Washington. Dolly does, however, provide regulated common carrier services in Washington under a UTC permit (Permit No. CC069383).⁵ In this context, Dolly has partnerships with many large retailers for which Dolly provides delivery of goods consumers purchase in their stores or via their websites.

Dolly's current regulated services comply with Commissioner rules and Dolly is able to meet and exceed common carrier requirements, subject to appropriate approved exemptions, as discussed in Docket TV-200758.⁶ This includes, *inter alia*, meeting or exceeding Commission requirements related to motor vehicle record checks, criminal background checks, safety requirements, and insurance requirements.

Dolly itself also carries liability insurance, including commercial general liability, auto liability insurance and umbrella insurance, that far exceed the minimum coverage limits that Commission rules require for common carriers with Dolly's business model. Dolly's insurance policies, which function as contingent insurance in addition to each Helper's individually required auto insurance policy, cover the same liability and property damage risks stipulated by the regulations and do so with significantly more coverage than required by Commission rules.

Dolly is similarly able to satisfy all the requirements for regulated household goods carriers in other states (e.g. Massachusetts).

Further, recent Commission rulings indicate recognition that Bellhops is able to do so in Washington, also while using third-party contractors. As such, compliance with household goods carrier regulations while using independent contractors is not an obstacle in Washington or in other states.

⁵ *In re Application of Dolly, Inc. to Operate as a Common Carrier of Property*, Order 01 Granting Exemption; Granting Application for Common Carrier Permit, UTC Dkt. No. TV-200758 (Sept. 24, 2020).

⁶ *See, e.g., In re Application of Dolly, Inc. to Operate as a Common Carrier of Property*, UTC Dkt. No. TV-200758.

3. If you do not currently contract with third parties to provide regulated services, are you interested in contracting with third parties to provide those services in the future?

Yes. Dolly already contracts with third parties to provide common carrier services under Permit No. CC069383. Dolly is interested in contracting with third parties to provide regulated household goods services in Washington in the future as it does in other states.

4. If you are interested in using third parties to provide regulated services, what services would you consider using third parties to provide?

Dolly would like to provide loading, transporting, and unloading services for household goods, similar to the services it provides in other states and the regulated services it currently provides in Washington for non-household goods services.

5. If you contract with third parties to provide non-regulated household goods services, how are those relationships structured? For example, how is payment rendered? Do you conduct background checks?

Much like the platform that eBay has developed to bring together buyers and sellers of goods, Uber/Lyft have developed to bring together suppliers and customers for local people transport, and AirBnB/VRBO has developed to bring together homeowners and renters for properties, Dolly provides a digital platform for its third-party contractors (Helpers) and customers to arrange and coordinate transactions for local goods transportation. As is the case with all of those other platforms, Dolly collects payment from the customers and pays the Helpers; provides comprehensive customer-support services; enables direct communication between contractors and customers; provides bi-directional review and rating mechanisms; and performs all onboarding and background checks of Helpers as described above in response to Question 2.

6. If you are a potential third-party contractor, how do you conduct background checks, and what safety requirements do you have in place to protect customers and employees?

Not applicable. While Dolly is not itself a potential third-party contractor, Dolly requires its third-party contractors to satisfy extensive safety requirements as described above in response to Question 2 and as further described in additional detail in Docket TV-200758.

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Conclusion

Thank you for your and the Staff's consideration of these comments. Please include our office on the distribution and mailing list for this Docket TV-210737.

Sincerely,

A handwritten signature in black ink, appearing to read "J. A. Rehberger". The signature is fluid and cursive, with the first and last names being more prominent.

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JR:en

cc: Michael Howell, Dolly, Inc.