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Original via email to: comments@utc.wa.gov

September 28, 2018

David W. Danner
Executive Director and Secretary
Washington Utilities Transportation Commission
1300 S. Evergreen Park Dr. SW,
PO Box 47250
Olympia, WA 98504-7250

Re: Response to the Digital Application Based Micro-Mover Task Force Request for
Comments
SCBIL File No. 3315-019

Dear Mr. Danner:

I write on the behalf of Teamsters Joint Council No. 28 (JC 28). JC 28, on behalf of working people in Washington State who are represented by its affiliated local unions, has a strong interest in the continued stability of the State's cargo transportation system. Because of the impact the household goods moving industry has on those workers, as well as on their families and communities, I am pleased to provide comments on JC 28's behalf on the following questions from the Task Force.

Question: Consumer protection and safety needs to be a priority in any recommendation considered by the task force. How does the Washington Utility and Transportation Commission (UTC) ensure consumer protection and safety for a digital app-based micro mover?

Response: The UTC should not eliminate protections for consumers by creating special rules of the road for so-called digital app-based micro movers (DAMMs). Moving companies are currently required to conduct criminal background checks, meet minimum insurance requirements, maintain an approved drug and alcohol testing program for employees, and show proof that the employees have been properly trained. See Washington Utilities Transportation Commission Task Force, Crosswalk Analysis of Digital-App Based Micro-Movers and Existing Household Goods Movers Regulatory Structure, Policies and Precedent (2018) ("Crosswalk") (citing RCW 80.01.040; RCW 81.01.010; RCW 81.80.130; WAC 480-15-550; WAC 480-15-530; WAC 480-15-555; WAC 480-15-570). The Washington State Legislature and the UTC instituted these requirements to protect consumers against abuse by movers of household goods. The DAMMs, i.e. Dolly.com, do not put forth any compelling reasons to create special exemptions from necessary and important consumer protection regulations. Dolly.com insists that it is not a moving company because the people who physically do the moving are not

employees and drive their own trucks. Dolly.com points to the fact that the company engages in “local moves of just a few items that will fit into a consumer sized pickup truck that happen within 24 hours of a customer request, and cost less than \$100” as justification for special treatment. See Crosswalk. However, these distinctions do not eliminate the need for the application of current consumer protections to be applied to DAMMs. Indeed, the proponents of exempting DAMMs from those protections have not even articulated any explanation as to *why* small-value local moves such as those described above should arguably be so exempted. The UTC should continue to enforce its regulations against DAMMs, including Dolly.com, to ensure that all consumers, including consumers whose moving needs are relatively small, are afforded the protections they need and deserve.

Question: Is the current process of obtaining a permit by the UTC cost prohibitive or complicated?

Response: The DAMMs’ position that the existing permitting rules are outdated or unworkable rings hollow. The existing permitting regulations are an important aspect of the UTC’s regulatory framework and have, to date, successfully ensured consumer protection and safety. No evidence has been presented that the existing permitting rules are preventing householders from obtaining the household moving services they need, both efficiently and at affordable prices. Nor has evidence been presented that the barriers to entering the business of being a household mover are so onerous that the market is being deprived of sufficient participants to ensure both the availability of these services and genuine competition regarding both the price and nature of the services provided.

Question: During the meeting, a household goods broker was brought up as an option. In your opinion, does a household goods broker address the concerns detailed in the crosswalk by the digital app-based micro movers?

Response: The proposal to establish a new category for DAMMs, i.e. Dolly.com, is an attempt to sidestep the existing and necessary regulatory structure and create a loophole for one company. As stated in the Crosswalk, “[t]he Commission determines whether a person is a household goods carrier based on the person’s actions, not how the entity characterizes its operations. The activity described as ‘household goods broker’ falls under the existing statutory definition of a household goods carrier.” There is no need for the creation of a separate category for Dolly.com or any other company purporting to follow the DAMM model. Nor does creation of such a separate category serve any legitimate social or business purpose. The DAMM model falls within the bounds of an existing statutory category, and businesses like Dolly.com should be regulated like all other businesses in that category.

Question: What are your primary concerns that you want to ensure the task force considers when making a recommendation?

Response: The rules governing moving companies should not be changed to provide one company, Dolly.com, an unfair competitive advantage. Proposals to exclude DAMMs, i.e. Dolly.com, from the definition of a common carrier of household goods would result in neither

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drivers nor Dolly.com complying with important consumer and employee protections.

The changes Dolly.com is seeking would exclude workers from important protections under existing law. Special and unnecessary exceptions for the DAMM model would allow Dolly.com to avoid complying with state minimum wage, overtime, health and safety and industrial welfare laws. Dolly.com would also be exempt from paying into the State's employment security and worker compensation funds and from appropriate federal taxes and withholding.

Creating different rules of the road for one company would undermine the important regulatory framework governing common carriers of household goods. The Washington State Legislature and the UTC have wisely regulated this industry. Giving companies styled as DAMMs, or Dolly.com, special treatment would be unjust to workers, consumers, and law-abiding common carriers of household goods.

Sincerely,

A handwritten signature in black ink, appearing to read "Dmitri Iglitzin". The signature is fluid and cursive, written over the printed name.

Dmitri Iglitzin
Counsel for Teamsters Joint Council 28

cc: Rick Hicks, Teamsters Joint Council 28
Shaunie Wheeler, Teamsters Joint Council 28
Teresita Torres, Waypoint Consulting Group
Majken Ryherd, Waypoint Consulting Group