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HOUSE BILL 2604

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State of Washington

65th Legislature

2018 Regular Session

By Representatives Tarleton and Senn

Read first time 01/11/18. Referred to Committee on Transportation.

1 AN ACT Relating to emerging internet technology applications and  
2 consumers utilizing the services of carrier network companies and  
3 carrier network company operators; amending RCW 81.80.070, 81.80.305,  
4 81.80.355, and 81.04.010; reenacting and amending RCW 81.80.010; and  
5 creating a new section.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** The legislature finds that the internet  
8 and mobile telecommunications have changed the way in which consumers  
9 access and purchase services in virtually every sector of the  
10 economy. Furthermore, the legislature finds that consumers desire  
11 more options for delivery and transportation of personal property,  
12 such as operators who are available on demand to move small loads of  
13 personal property short distances. The legislature intends that  
14 carrier network companies, which use emerging technology-based  
15 platforms to arrange for small personal property moves, and carrier  
16 network company operators, which use carrier network companies to  
17 broker such moves, be appropriately regulated. The legislature  
18 therefore intends to authorize the utilities and transportation  
19 commission to update its existing motor freight carrier rules to  
20 regulate carrier network companies and carrier network company  
21 operators.

1       **Sec. 2.** RCW 81.80.010 and 2009 c 94 s 1 are each reenacted and  
2 amended to read as follows:

3       The definitions set forth in this section apply throughout this  
4 chapter.

5       (1) "Carrier network company" means any corporation, partnership,  
6 sole proprietorship, or other entity permitted under this chapter and  
7 operating in the state of Washington that provides a digital network  
8 or software application for the purpose of brokering the  
9 transportation of property for compensation between customers and  
10 carrier network company operators.

11       (2) "Carrier network company operator" means an operator that  
12 uses a carrier network company's digital network or software  
13 application to transport property for customers brokered by a carrier  
14 network company. A carrier network company operator must conduct such  
15 transportation using a standard size pickup or other noncommercial  
16 motor vehicle, as that term is defined in 49 C.F.R. Sec. 383.5.

17       (3) "Common carrier" means any person who undertakes to transport  
18 property for the general public by motor vehicle for compensation,  
19 whether over regular or irregular routes, or regular or irregular  
20 schedules, including motor vehicle operations of other carriers by  
21 rail or water and of express or forwarding companies. "Common  
22 carrier" includes persons engaged in the business of providing,  
23 contracting for, or undertaking to provide transportation of property  
24 for compensation over the public highways of the state of Washington  
25 as brokers or forwarders. "Common carrier" does not include "carrier  
26 network company" or "carrier network company operator."

27       (~~(2)~~) (4) "Contract carrier" includes all motor vehicle  
28 operators not included under the terms "carrier network company  
29 operator," "common carrier," and "private carrier" as defined in this  
30 section, and further includes any person who under special and  
31 individual contracts or agreements transports property by motor  
32 vehicle for compensation. (~~(3) "Common carrier" and~~) "Contract  
33 carrier" includes persons engaged in the business of providing,  
34 contracting for, or undertaking to provide transportation of property  
35 for compensation over the public highways of the state of Washington  
36 as brokers or forwarders.

37       (~~(4)~~) (5) "Exempt carrier" means any person operating a vehicle  
38 exempted under RCW 81.80.040.

39       (~~(5)~~) (6) "Household goods carrier" means a person, other than  
40 a carrier network company or a carrier network company operator, who

1 transports for compensation, by motor vehicle within this state, or  
2 who advertises, solicits, offers, or enters into an agreement to  
3 transport household goods as defined by the commission. "Household  
4 goods carrier" does not include "carrier network company" or "carrier  
5 network company operator."

6 ((+6)) (7) "Motor carrier" includes "carrier network company  
7 operator," "common carrier," "contract carrier," "private carrier,"  
8 and "exempt carrier" as defined in this section.

9 ((+7)) (8) "Motor vehicle" means any truck, trailer,  
10 semitrailer, tractor, dump truck which uses a hydraulic or mechanical  
11 device to dump or discharge its load, or any self-propelled or motor-  
12 driven vehicle used upon any public highway of this state for the  
13 purpose of transporting property, but not including baggage, mail,  
14 and express transported on the vehicles of auto transportation  
15 companies carrying passengers.

16 ((+8)) (9) "Person" includes an individual, firm, copartnership,  
17 corporation, company, or association or their lessees, trustees, or  
18 receivers.

19 ((+9)) (10) A "private carrier" is a person who transports by  
20 his or her own motor vehicle, with or without compensation, property  
21 which is owned or is being bought or sold by the person, or property  
22 where the person is the seller, purchaser, lessee, or bailee and the  
23 transportation is incidental to and in furtherance of some other  
24 primary business conducted by the person in good faith.

25 ((+10)) (11) "Public highway" means every street, road, or  
26 highway in this state.

27 ((+11)) (12) "Vehicle" means every device capable of being moved  
28 upon a public highway and in, upon, or by which any person or  
29 property is or may be transported or drawn upon a public highway,  
30 except devices moved by human or animal power or used exclusively  
31 upon stationary rail or tracks.

32 **Sec. 3.** RCW 81.80.070 and 2009 c 94 s 3 are each amended to read  
33 as follows:

34 (1) A carrier network company operator, common carrier, contract  
35 carrier, or temporary carrier shall not operate for the  
36 transportation of property for compensation in this state without  
37 first obtaining from the commission a permit for such operation.

38 (2) The commission ((shall)) must issue a ((common-carrier))  
39 permit to any qualified applicant if it is found the applicant is

1 fit, willing, and able to perform the service and conform to the  
2 provisions of this chapter and the rules and regulations of the  
3 commission.

4 (3) Before a permit is issued, the commission (~~shall~~) must  
5 require the applicant to establish safety fitness and proof of  
6 minimum financial responsibility as provided in this chapter.

7 (4) Carrier network companies must be regulated in a manner  
8 similar to forwarders and brokers as provided in RCW 81.80.430.

9 **Sec. 4.** RCW 81.80.305 and 2007 c 234 s 86 are each amended to  
10 read as follows:

11 (1) All motor vehicles, other than those exempt under subsection  
12 (2) of this section, must display a permanent marking identifying the  
13 name or number, or both, on each side of the power units. For a motor  
14 vehicle that is a common or contract carrier under permit by the  
15 commission as described in subsection (3)(a) of this section, a  
16 private carrier under subsection (4) of this section, or a leased  
17 carrier as described in subsection (5) of this section, any required  
18 identification that is added, modified, or renewed after September 1,  
19 1991, must be displayed on the driver and passenger doors of the  
20 power unit. The identification must be in a clearly legible style  
21 with letters no less than three inches high and in a color  
22 contrasting with the surrounding body panel.

23 (2) This section does not apply to:

24 (a) Vehicles exempt under RCW 81.80.040(~~, and~~);

25 (b) Vehicles operated by private carriers that singly or in  
26 combination are less than thirty-six thousand pounds gross vehicle  
27 weight; or

28 (c) Vehicles operated by carrier network company operators.

29 (3) If the motor vehicle is operated as (a) a common or contract  
30 carrier under a permit by the commission, the identification must  
31 contain the name of the permittee, or business name, and the permit  
32 number, or (b) a common or contract carrier holding both intrastate  
33 and interstate authority, the identification may be either the  
34 commission permit number or the federal vehicle marking requirement  
35 established by the United States department of transportation for  
36 interstate motor carriers.

37 (4) If the motor vehicle is a private carrier, the identification  
38 must contain the name and address of either the business operating  
39 the vehicle or the registered owner.

1 (5) If the motor vehicle is operated under lease, the vehicle  
2 must display either permanent markings or placards on the driver and  
3 passenger doors of the power unit. A motor vehicle under lease (a)  
4 that is operated as a common or contract carrier under permit by the  
5 commission must display identification as provided in subsection  
6 (3)(a) of this section, and (b) that is operated as a private carrier  
7 must display identification as provided in subsection (4) of this  
8 section.

9 (6) If a motor vehicle is operated by a carrier network company  
10 operator under a permit issued by the commission, the vehicle must  
11 display a marking identifying the name of its associated carrier  
12 network company.

13 **Sec. 5.** RCW 81.80.355 and 2013 c 23 s 309 are each amended to  
14 read as follows:

15 Any person not holding a permit authorizing him or her to operate  
16 as a carrier network company operator, common carrier, contract  
17 carrier, or temporary carrier for the transportation of property for  
18 compensation in this state, or an exempt carrier, who displays on any  
19 building, vehicle, billboard, or in any manner, any advertisement of,  
20 or by circular, letter, newspaper, magazine, poster, card, or  
21 telephone directory, advertises the transportation of property for  
22 compensation shall be guilty of a misdemeanor and punishable as such.

23 **Sec. 6.** RCW 81.04.010 and 2007 c 234 s 4 are each amended to  
24 read as follows:

25 ~~((As used in this title, unless specially defined otherwise or~~  
26 ~~unless the context indicates otherwise:)) The definitions in this  
27 section apply throughout this title unless the context clearly  
28 requires otherwise.~~

29 (1) "Carrier network company" means any corporation, partnership,  
30 sole proprietorship, or other entity permitted under this chapter and  
31 operating in the state of Washington who provides a digital network  
32 or software application for the purpose of brokering the  
33 transportation of property for compensation between customers and  
34 carrier network company operators.

35 (2) "Carrier network company operator" means an operator that  
36 uses a carrier network company's digital network or software  
37 application to transport property for customers brokered by a carrier  
38 network company. A carrier network company operator must conduct such

1 transportation using a standard size pickup or other noncommercial  
2 motor vehicle, as that term is defined in 49 C.F.R. 383.5.

3 (3) "Commission" means the utilities and transportation  
4 commission.

5 ~~((+2))~~ (4) "Commissioner" means one of the members of such  
6 commission.

7 ~~((+3))~~ (5) "Corporation" includes a corporation, company,  
8 association, or joint stock association.

9 ~~((+4))~~ (6) "Low-level radioactive waste site operating company"  
10 includes every corporation, company, association, joint stock  
11 association, partnership, and person, their lessees, trustees, or  
12 receivers appointed by any court whatsoever, owning, operating,  
13 controlling, or managing a low-level radioactive waste disposal site  
14 or sites located within the state of Washington.

15 ~~((+5))~~ (7) "Low-level radioactive waste" means low-level waste  
16 as defined by RCW 43.145.010.

17 ~~((+6))~~ (8) "Person" includes an individual, a firm, or  
18 copartnership.

19 ~~((+7))~~ (9) "Street railroad" includes every railroad by  
20 whatsoever power operated, or any extension or extensions, branch or  
21 branches thereof, for public use in the conveyance of persons or  
22 property for hire, being mainly upon, along, above, or below any  
23 street, avenue, road, highway, bridge, or public place within any one  
24 city or town, and includes all equipment, switches, spurs, tracks,  
25 bridges, right of trackage, subways, tunnels, stations, terminals,  
26 and terminal facilities of every kind used, operated, controlled, or  
27 owned by or in connection with any such street railroad, within this  
28 state.

29 ~~((+8))~~ (10) "Street railroad company" includes every  
30 corporation, company, association, joint stock association,  
31 partnership, and person, their lessees, trustees, or receivers  
32 appointed by any court whatsoever, and every city or town, owning,  
33 controlling, operating, or managing any street railroad or any cars  
34 or other equipment used thereon or in connection therewith within  
35 this state.

36 ~~((+9))~~ (11) "Railroad" includes every railroad, other than  
37 street railroad, by whatsoever power operated for public use in the  
38 conveyance of persons or property for hire, with all facilities and  
39 equipment, used, operated, controlled, or owned by or in connection  
40 with any such railroad.

1       (~~(10)~~) (12) "Railroad company" includes every corporation,  
2 company, association, joint stock association, partnership, or  
3 person, their lessees, trustees, or receivers appointed by any court  
4 whatsoever, owning, operating, controlling, or managing any railroad  
5 or any cars or other equipment used thereon or in connection  
6 therewith within this state.

7       (~~(11)~~) (13) "Common carrier" includes all railroads, railroad  
8 companies, street railroads, street railroad companies, commercial  
9 ferries, motor freight carriers, auto transportation companies,  
10 charter party carriers and excursion service carriers, private  
11 nonprofit transportation providers, solid waste collection companies,  
12 household goods carriers, hazardous liquid pipeline companies, and  
13 every corporation, company, association, joint stock association,  
14 partnership, and person, their lessees, trustees, or receivers  
15 appointed by any court whatsoever, and every city or town, owning,  
16 operating, managing, or controlling any such agency for public use in  
17 the conveyance of persons or property for hire within this state.

18       (~~(12)~~) (14) "Vessel" includes every species of watercraft, by  
19 whatsoever power operated, for public use in the conveyance of  
20 persons or property for hire over and upon the waters within this  
21 state, excepting all towboats, tugs, scows, barges, and lighters, and  
22 excepting rowboats and sailing boats under twenty gross tons burden,  
23 open steam launches of five tons gross and under, and vessels under  
24 five tons gross propelled by gas, fluid, naphtha, or electric motors.

25       (~~(13)~~) (15) "Commercial ferry" includes every corporation,  
26 company, association, joint stock association, partnership, and  
27 person, their lessees, trustees, or receivers, appointed by any court  
28 whatsoever, owning, controlling, leasing, operating, or managing any  
29 vessel over and upon the waters of this state.

30       (~~(14)~~) (16) "Transportation of property" includes any service  
31 in connection with the receiving, delivery, elevation, transfer in  
32 transit, ventilation, refrigeration, icing, storage, and handling of  
33 the property transported, and the transmission of credit.

34       (~~(15)~~) (17) "Transportation of persons" includes any service in  
35 connection with the receiving, carriage, and delivery of persons  
36 transported and their baggage and all facilities used, or necessary  
37 to be used in connection with the safety, comfort, and convenience of  
38 persons transported.

39       (~~(16)~~) (18) "Public service company" includes every common  
40 carrier.

1        (~~(17)~~) (19) The term "service" is used in this title in its  
2        broadest and most inclusive sense.

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