
SUBSTITUTE SENATE BILL 6234

State of Washington

65th Legislature

2018 Regular Session

By Senate Energy, Environment & Technology (originally sponsored by Senator Palumbo)

READ FIRST TIME 02/01/18.

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;
5 adding a new section to chapter 81.80 RCW; adding a new section to
6 chapter 81.24 RCW; and creating new sections.

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

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

1 carrier rules to regulate carrier network companies and carrier
2 network company operators.

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

5 The definitions set forth in this section apply throughout this
6 chapter.

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

13 (2) "Carrier network company operator" means an operator that
14 uses a carrier network company's digital network or software
15 application to transport household goods for customers brokered by a
16 carrier network company. A carrier network company operator must
17 conduct such transportation using a standard size pickup or other
18 noncommercial motor vehicle, as that term is defined in 49 C.F.R.
19 Sec. 390.5.

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

30 ((+2)) (4) "Contract carrier" includes all motor vehicle
31 operators not included under the terms "carrier network company
32 operator," "common carrier," and "private carrier" as defined in this
33 section, and further includes any person who under special and
34 individual contracts or agreements transports property by motor
35 vehicle for compensation. ((-3) "Common carrier" and)) "Contract

36 carrier" includes persons engaged in the business of providing,
37 contracting for, or undertaking to provide transportation of property
38 for compensation over the public highways of the state of Washington
39 as brokers or forwarders.

1 (~~(4)~~) (5) "Exempt carrier" means any person operating a vehicle
2 exempted under RCW 81.80.040.

3 (~~(5)~~) (6) "Household goods carrier" means a person, other than
4 a carrier network company or a carrier network company operator, who
5 transports for compensation, by motor vehicle within this state, or
6 who advertises, solicits, offers, or enters into an agreement to
7 transport household goods as defined by the commission. "Household
8 goods carrier" does not include "carrier network company" or "carrier
9 network company operator."

10 (~~(6)~~) (7) "Motor carrier" includes "carrier network company,"
11 "carrier network company operator," "common carrier," "contract
12 carrier," "private carrier," and "exempt carrier" as defined in this
13 section.

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

21 (~~(8)~~) (9) "Person" includes an individual, firm, copartnership,
22 corporation, company, or association or their lessees, trustees, or
23 receivers.

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

30 (~~(10)~~) (11) "Public highway" means every street, road, or
31 highway in this state.

32 (~~(11)~~) (12) "Vehicle" means every device capable of being moved
33 upon a public highway and in, upon, or by which any person or
34 property is or may be transported or drawn upon a public highway,
35 except devices moved by human or animal power or used exclusively
36 upon stationary rail or tracks.

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

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

6 (2) The commission (~~shall~~) must issue a (~~common-carrier~~)
7 permit to any qualified applicant if it is found the applicant is
8 fit, willing, and able to perform the service and conform to the
9 provisions of this chapter and the rules and regulations of the
10 commission.

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

14 (4) Carrier network companies are public service companies that
15 must be regulated in a manner similar to forwarders and brokers as
16 provided in RCW 81.80.430.

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

19 (1) All motor vehicles, other than those exempt under subsection
20 (2) of this section, must display a permanent marking identifying the
21 name or number, or both, on each side of the power units. For a motor
22 vehicle that is a common or contract carrier under permit by the
23 commission as described in subsection (3)(a) of this section, a
24 private carrier under subsection (4) of this section, or a leased
25 carrier as described in subsection (5) of this section, any required
26 identification that is added, modified, or renewed after September 1,
27 1991, must be displayed on the driver and passenger doors of the
28 power unit. The identification must be in a clearly legible style
29 with letters no less than three inches high and in a color
30 contrasting with the surrounding body panel.

31 (2) This section does not apply to:

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

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

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

37 (3) If the motor vehicle is operated as (a) a common or contract
38 carrier under a permit by the commission, the identification must
39 contain the name of the permittee, or business name, and the permit

1 number, or (b) a common or contract carrier holding both intrastate
2 and interstate authority, the identification may be either the
3 commission permit number or the federal vehicle marking requirement
4 established by the United States department of transportation for
5 interstate motor carriers.

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

9 (5) If the motor vehicle is operated under lease, the vehicle
10 must display either permanent markings or placards on the driver and
11 passenger doors of the power unit. A motor vehicle under lease (a)
12 that is operated as a common or contract carrier under permit by the
13 commission must display identification as provided in subsection
14 (3)(a) of this section, and (b) that is operated as a private carrier
15 must display identification as provided in subsection (4) of this
16 section.

17 (6) If a motor vehicle is operated by a carrier network company
18 operator under a permit issued by the commission, the vehicle must
19 display a marking identifying the name of its associated carrier
20 network company.

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

23 Any person not holding a permit authorizing him or her to operate
24 as a carrier network company, carrier network company operator,
25 common carrier, contract carrier, or temporary carrier for the
26 transportation of property for compensation in this state, or an
27 exempt carrier, who displays on any building, vehicle, billboard, or
28 in any manner, any advertisement of, or by circular, letter,
29 newspaper, magazine, poster, card, or telephone directory, advertises
30 the transportation of property for compensation shall be guilty of a
31 misdemeanor and punishable as such.

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

34 ~~((As used in this title, unless specially defined otherwise or~~
35 ~~unless the context indicates otherwise:)) The definitions in this
36 section apply throughout this title unless the context clearly
37 requires otherwise.~~

1 (1) "Carrier network company" means any corporation, partnership,
2 sole proprietorship, or other entity permitted under this chapter and
3 operating in the state of Washington as a public service company who
4 provides a digital network or software application for the purpose of
5 brokering the transportation of household goods for compensation
6 between customers and carrier network company operators.

7 (2) "Carrier network company operator" means an operator that
8 uses a carrier network company's digital network or software
9 application to prearrange transport of household goods for customers
10 brokered by a carrier network company. A carrier network company
11 operator must conduct such transportation using a standard size
12 pickup or other noncommercial motor vehicle, as that term is defined
13 in 49 C.F.R. Sec. 390.5.

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

16 ~~((+2))~~ (4) "Commissioner" means one of the members of such
17 commission.

18 ~~((+3))~~ (5) "Corporation" includes a corporation, company,
19 association, or joint stock association.

20 ~~((+4))~~ (6) "Low-level radioactive waste site operating company"
21 includes every corporation, company, association, joint stock
22 association, partnership, and person, their lessees, trustees, or
23 receivers appointed by any court whatsoever, owning, operating,
24 controlling, or managing a low-level radioactive waste disposal site
25 or sites located within the state of Washington.

26 ~~((+5))~~ (7) "Low-level radioactive waste" means low-level waste
27 as defined by RCW 43.145.010.

28 ~~((+6))~~ (8) "Person" includes an individual, a firm, or
29 copartnership.

30 ~~((+7))~~ (9) "Street railroad" includes every railroad by
31 whatsoever power operated, or any extension or extensions, branch or
32 branches thereof, for public use in the conveyance of persons or
33 property for hire, being mainly upon, along, above, or below any
34 street, avenue, road, highway, bridge, or public place within any one
35 city or town, and includes all equipment, switches, spurs, tracks,
36 bridges, right of trackage, subways, tunnels, stations, terminals,
37 and terminal facilities of every kind used, operated, controlled, or
38 owned by or in connection with any such street railroad, within this
39 state.

1 (~~(8)~~) (10) "Street railroad company" includes every
2 corporation, company, association, joint stock association,
3 partnership, and person, their lessees, trustees, or receivers
4 appointed by any court whatsoever, and every city or town, owning,
5 controlling, operating, or managing any street railroad or any cars
6 or other equipment used thereon or in connection therewith within
7 this state.

8 (~~(9)~~) (11) "Railroad" includes every railroad, other than
9 street railroad, by whatsoever power operated for public use in the
10 conveyance of persons or property for hire, with all facilities and
11 equipment, used, operated, controlled, or owned by or in connection
12 with any such railroad.

13 (~~(10)~~) (12) "Railroad company" includes every corporation,
14 company, association, joint stock association, partnership, or
15 person, their lessees, trustees, or receivers appointed by any court
16 whatsoever, owning, operating, controlling, or managing any railroad
17 or any cars or other equipment used thereon or in connection
18 therewith within this state.

19 (~~(11)~~) (13) "Common carrier" includes all railroads, railroad
20 companies, street railroads, street railroad companies, commercial
21 ferries, motor freight carriers, auto transportation companies,
22 charter party carriers and excursion service carriers, private
23 nonprofit transportation providers, solid waste collection companies,
24 household goods carriers, hazardous liquid pipeline companies, and
25 every corporation, company, association, joint stock association,
26 partnership, and person, their lessees, trustees, or receivers
27 appointed by any court whatsoever, and every city or town, owning,
28 operating, managing, or controlling any such agency for public use in
29 the conveyance of persons or property for hire within this state.

30 (~~(12)~~) (14) "Vessel" includes every species of watercraft, by
31 whatsoever power operated, for public use in the conveyance of
32 persons or property for hire over and upon the waters within this
33 state, excepting all towboats, tugs, scows, barges, and lighters, and
34 excepting rowboats and sailing boats under twenty gross tons burden,
35 open steam launches of five tons gross and under, and vessels under
36 five tons gross propelled by gas, fluid, naphtha, or electric motors.

37 (~~(13)~~) (15) "Commercial ferry" includes every corporation,
38 company, association, joint stock association, partnership, and
39 person, their lessees, trustees, or receivers, appointed by any court

1 whatsoever, owning, controlling, leasing, operating, or managing any
2 vessel over and upon the waters of this state.

3 ~~((14))~~ (16) "Transportation of property" includes any service
4 in connection with the receiving, delivery, elevation, transfer in
5 transit, ventilation, refrigeration, icing, storage, and handling of
6 the property transported, and the transmission of credit.

7 ~~((15))~~ (17) "Transportation of persons" includes any service in
8 connection with the receiving, carriage, and delivery of persons
9 transported and their baggage and all facilities used, or necessary
10 to be used in connection with the safety, comfort, and convenience of
11 persons transported.

12 ~~((16))~~ (18) "Public service company" includes every common
13 carrier and carrier network company.

14 ~~((17))~~ (19) The term "service" is used in this title in its
15 broadest and most inclusive sense.

16 NEW SECTION. **Sec. 7.** A new section is added to chapter 81.80
17 RCW to read as follows:

18 The commission may adopt rules regarding the qualifications of
19 drivers, safety of vehicles, insurance or bond requirements,
20 regulatory fees, and consumer protection related to carrier network
21 companies and carrier network company operators.

22 NEW SECTION. **Sec. 8.** A new section is added to chapter 81.24
23 RCW to read as follows:

24 (1) On or before the date specified by the commission for filing
25 annual reports under RCW 81.04.080, every carrier network company
26 must file with the commission a statement showing:

27 (a) Its gross operating revenue from intrastate operations for
28 the preceding year and pay to the commission a fee of two-fifths of
29 one percent of the amount of gross operating revenue; and

30 (b) The vehicles used for the preceding year and pay to the
31 commission a per vehicle fee established by the commission not to
32 exceed one hundred dollars.

33 (2) The commission may, by rule:

34 (a) Set minimum fees that do not exceed the cost of collecting
35 the fees; and

36 (b) Waive any or all of the minimum fee established under this
37 section.

1 (3) The percentage rate of gross operating revenue to be paid in
2 any period may be decreased by the commission by general order
3 entered before the fifteenth day of the month preceding the month in
4 which the fee is due.

5 NEW SECTION. **Sec. 9.** Nothing in this act changes or limits the
6 authority of the Washington utilities and transportation commission
7 to regulate collection of solid waste in the state of Washington,
8 including curbside collection of residential recyclable materials,
9 nor does this act change or limit the authority of a city or town to
10 provide such service itself or by contract pursuant to RCW 81.77.020.

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