
Transportation Committee

HB 2604

Brief Description: Concerning emerging internet technology applications and consumers utilizing the services of carrier network companies and carrier network company operators.

Sponsors: Representatives Tarleton and Senn.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Provides for the regulation of carrier network companies and carrier network company operators.

Hearing Date: 1/24/18

Staff: David Munnecke (786-7315).

Background:

The Washington Utilities and Transportation Commission (UTC) regulates several types of transportation companies, including household goods movers, which are required to obtain a permit from the UTC before operating. All of these regulated transportation companies are subject to a series of public safety and consumer protection requirements, including:

- obtaining and maintaining liability and cargo insurance;
- providing information to consumers regarding services and pricing;
- charging only the proper rates for services rendered;
- conducting background checks of potential employees' driving records;
- maintaining a drug and alcohol testing program for all employees; and
- maintaining specific vehicle safety levels.

The UTC's employees conduct safety and consumer protection audits of permitted companies to ensure statutory requirements are met. The UTC is also empowered to impose penalties for a company's failure to comply with these requirements.

Summary of Bill:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A carrier network company (CNC) is defined as any corporation, partnership, sole proprietorship, or other permitted entity that is operating in the State of Washington and provides a digital network or software application for the purpose of brokering the transportation of property for compensation between customers and CNC operators(CNCO).

A CNCO is defined as an operator that uses a CNC's digital network or software application to transport property for customers brokered by a CNC. A CNCO must conduct such transportation using a standard size pickup or other noncommercial motor vehicle, as that term is defined in 49 C.F.R. Sec. 383.5.

Both a CNC and a CNCO are excluded from the definition of both a common carrier and a household good carrier, but a CNCO is added to the definition of motor carrier.

A CNCO is required to obtain a permit from the UTC, and the UTC is required to issue a permit to any qualified applicant that meets certain standards. Vehicles operated by a CNCO under a permit issued by the UTC must display the name of its associated CNC. A CNCO is added to the list of entities for which a person must hold a permit in order to advertise for the transportation of property for compensation.

The UTC is required to regulate CNCs in a manner similar to the regulation of forwarders and brokers for the transportation of property in intrastate commerce.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.