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We appreciate the final ruling to make the 20% permanent so definitive plans can be made for the future of our businesses without the possibility of the increase being denied by the Commission. The yearly Seattle based CPI increases, without going through the very long fact-finding study and hearing process that was approved by the Commission which came as a complete surprise, certainly saves everyone time and resources but doesn't address the main issue of the discrepancy of our rates.

It is great that our industry has a tariff with rules governing the responsibilities of Household Goods (HHG) movers to protect both the consumer and the industry. But as welcome as the recent rate change is, it still does not get to the heart of the matter concerning the economic impact of the many quickly escalating expenses facing our industry.

The historic perspective that the HHG industry in Washington is a monopoly that needs to be regulated to protect consumers does not reflect reality. Listed on the UTC website are over 300 licensed regulated movers with the state with more than thirty new applications submitted to date in 2024. It is common knowledge that there are a myriad of unlicensed individuals advertising on the internet, using such social media platforms as Craigslist, Thumbtack, Hire-a-Helper, Lug, U-Haul, and the list goes on. They can also be found on bulletin boards in grocery stores, telephone pole signs or movers being recommended by apartment building and mini-storage management staff. Needless to say, finding a mover is not a difficult task.

Unfortunately, HHG movers do not have the luxury of other governed entities which truly are monopolies, such as power and water companies, railroads, solid waste companies among others. These entities are truly monopolies, or off-shoots from monopolies where it is in the public interest to limit the companies that can serve individual consumers. It would not make sense to have multiple power companies each building the infrastructure to deliver power to a house based on the consumer's preference. Hence, the Commission rightfully needs to set fair rates for both the regulated industry and the consumer. The hundreds of movers in the Seattle area for instance, can drive around the Puget Sound area and perform moves in an open competitive market place.

Movers are small independent companies that can't afford armies of accountants and attorneys to plead our case, which then can have those costs built back into the utility rates. We have seen these other industries come back to the Commission to show their projected expenses were higher than anticipated, so additional amounts are added to the future rates to make up the shortfall. The consumers they service have no other means to obtain their services so the shortfall is made up in future years. If the movers have a shortfall, which we have experienced for many years waiting for a rate increase, we have no way of recouping those lost revenues.

Many years ago, when a new entrant to the industry wanted to operate within the state, they had to apply for a permit which then resulted in a hearing with other permit holders to determine if more capacity was needed to serve the communities they wished to operate in. This process to ensure that "monopolistic behavior" was prevented is no longer in place and with the current ease and low cost of obtaining a permit, no argument can be made that HHG movers present even a hint of monopoly power.

In addition, movers have a very low cost to advertise on the internet so consumers easily have the ability to locate movers anywhere in the world at their fingertips. They can view extensive websites of services offered by each company and scrutinize the companies' reviews by other consumers on various sites like Google, BBB, Yelp, Consumer Reports, Angie, Facebook, and Porch. They can look up their addresses on Google Earth to view their physical business address to ensure they are really located where their website say they are. Social media sites, such as Nextdoor, et al, have consumers discussing their experiences and recommending which mover they used. They can visit the UTC site to see if they are a licensed mover plus receive additional information on how to select a mover to assure a successful move.

To reiterate, the Household Goods industry is not a monopoly requiring the same price constraints that a traditional "Utility" requires to protect the consumers in our state.

The 20% increase

Dating back to when the WA Movers Conference could afford an independent audit of various companies, which was in the early 1980's, the Conference went through the formal procedures and the UTC agreed as to what was a reasonable rate for the movers and consumers. As previously mentioned because of the permit process, there were few to no new permits issued since the commission agreed there was no need for additional movers since all areas were covered. At that time there was also a difference in the rates between western and eastern parts of the state because they realized there is a distinct difference in costs to operate between the areas, even 40 years ago.

From looking at old tariffs, the difference at that time was established as a 9.33% difference. Now it is an easy case to see from various sources the difference in the cost of living between the Seattle area and Eastern WA is 24 to 34% more expensive depending on which schedule and eastern city is compared. If the current plan to use the CPI of the Seattle market is applied, the Seattle-Tacoma movers wait through a year of increased costs so at the end of the year they receive a 2 or 3% increase when the Eastern side of the state already enjoys a huge difference in cost of expenses will also receive the same increase. Consumers on the east side of the state unfairly face price increases based on Seattle's CPI.

If the CPI is the benchmark for looking at the rates, then it should be examined over the years to see how far the rates have lagged behind the actual costs of doing business. In 1983, the Western Region rate established between the WMC audit and the Commission was $75.60 per hour for a truck, driver and a helper. By taking the information from the Seattle CPI since 1983 until current, the rate for a truck, driver and helper should already be $261.21

before any proposed CPI increase. The current $216.88 which is after the 20% increase was finally granted means Seattle area movers were about 40% below market for years trying to compete with every other blue collar type industry which can change their rates to consumers at will. Costs, besides labor, were also not constrained by the same strictures our industry faces in our pricing.

In addition to trying to operate with price restraints years behind the CPI in the area and without sitting down to discuss issues in the industry like the WMC has asked for numerous times, it was decided to increase the minimum liability of a shipment to $.72 per pound from the worldwide industry standard of $.60 per pound. Besides changing from the standard set by the Federal Motor Carrier Administration, it causes confusion with consumers which have moved in the past, shippers that are moving into permanent storage where the liability is still $.60 per pound, current contracts with clients, confusion from out of state movers trying to book an account move for an employee relocation, additional expenses to movers to change computer programs and paperwork plus the added expense of movers insurance which is already escalating in costs faster than the CPI. All of that without any increase in the tariff to make up the difference or even a question asked about what the impact might be.

This has been long winded but the last item I would like to bring up is the option to charge for the use of credit cards. It is hard to find a business or a utility (even regulated ones) that doesn't charge for the convenience of using a card. King County Assessor, Puget Sound Energy, Waste Management, Dept. of Licensing, most of our service providers and even the Commission charges movers for paying their fees using a credit card. We have asked for years now to allow these convenience fees but it is still being rejected because we should just build it into our costs. We pay thousands of dollars every month in credit card fees. This policy seems unfair to certain consumers in that a credit card user is typically being rebated 1-2 percent on their charges, while those who don't utilize credit cards pay the full charges.

It is well past time to allow movers to set their own rates just like every other independent small business. If the top rate can't be completely taken away, then let the movers file their own maximum rate. Just because there is a higher maximum rate doesn't mean they can get a consumer to pay it since it depends on the type of job, liability value of the goods, what type of specialized skills or equipment might be needed, time of year, what days of the month, is there a possibility of a backhaul, mountain pass conditions, etc.

As stated above, we are a highly competitive industry and the ability to charge the maximum rate in no way means that we can successfully sell that rate to high knowledge consumers, like the moving public.

The consumers In Washington have a huge number of options on who and how to do their move. The WAC codes require that the consumer has a complete estimate of services and rates before any work is even started. They are protected by the tariff rules and regulations which we all agree is needed and we fully support. Now please let everyone run their business and price accordingly so they can stay in business.

Thank you