

Washington Movers Conference

P.O. Box 98767 Lakewood, WA 98496 Tel: (253) 328-5641 Cell: (206) 499-9216

e-mail: jim@wmcmovers.com

COMMISSION

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James R. Tutton, Jr. **Executive Director**

May 9, 2022

Ms. Amanda Maxwell Executive Director/Secretary **Utilities & Transportation Commission** P.O. Box 47250 Olympia, WA 98504-7250

Dear Ms. Maxwell,

Reference: UTC Docket TV-210812, October 11, 2021

The Washington Movers Conference (WMC) Petitions the Utilities and Transportation Commission for a six-month study of operating without a Maximum Rate Band in Intrastate HHG Tariff No. 15-C.

Intrastate Household Goods (HHG) moving within Washington State is a competitive industry whereby two or more parties (businesses) act independently to secure the business of a third party by offering the most favorable terms.

Operating as an Intrastate HHG carrier is also complex. It involves providing "Local HHG Moves", shipments transported 55 miles or less; "Long Distance Moves", shipments transported more than 55 miles; "Small Goods Transportation and Storage; "Storage-in-Transit", temporary storage, 90-days or less; "Permanent Storage", storage of goods for more than 90-days; and a myriad of assessorial services depending on the customer's need. Notably, the customer's goods come in all shapes and sizes and at several different levels of value. Customer's homes and/or apartments are located in neighborhoods; on hills, such as can be found in the Seattle market; in downtown metropolitan cities in high rise apartments/condos; in small neighborhoods not easily accessible by the tractor/trailer combination; or are historic, older homes. Each provides a relevant challenge to the HHG carrier.

Household goods moving at any level requires competent, drug free, background checked, able employees as both drivers and laborers to successfully complete each and every move damage free, timely, and to the customer's satisfaction. Finding those good folks at the current pay and benefits packages HHG carriers are able to offer is an extreme challenge. Consumers too expect HHG carriers to provide clean, background checked workers that will be entering their homes or apartments and handling all of their personal possessions.

Many professional full service HHG carriers own or lease "store front" office facilities and large storage warehouse buildings in cities across Washington State. They provide the services mentioned above plus most also have major HHG van line affiliations for providing Interstate moves for folks moving to or from Washington State and separate Agreements for handling military members personal property shipments for service members stationed at Washington State's many military installations.

But it's the future of Intrastate regulated moving companies that's in question. The WMC has had several discussions this past year with UTC staff responsible for the UTC HHG Tariff 15-C seeking the best approach for maintaining Rates and Charges contained in the Tariff that would be simple, accomplished at minimal cost to each party, that would be fair to Washington's consumers seeking professional intrastate HHG moving services and adequately compensate HHG carriers for those professional services provided. And for certain, maintain the strong consumer protections in place in WAC 480-15 and the UTC Household Goods Tariff No. 15-C.

The currently mandated not to exceed Maximum Rate Band in HHG Tariff No. 15-C, is simply no longer appropriate for regulated moving & storage carriers, who's revenue is based on HHG moving and storage work performed. For the past two years plus, intrastate moving & storage companies have had to absorb additional business costs with little to no financial relief. Examples include –

- 1. Washington cities instituting new employee minimum wage levels.
- 2. Higher taxes randomly implemented at any given level of government.
- 3. Additional State Agency employment/employee programs such as the new Mandatory Paid Family and Medical Leave Program, the new Employee Mandatory Overtime rule, and the currently on-hold Long Term Care Program.
- 4. Increasing fuel costs, highway, bridge, tunnel, and ferry tolls, and truck parking fees.
- 5. Heath benefit plans with double digit annual increases; plus
- 6. The obvious terrible roadway congestion in all metropolitan areas. And it just keeps getting worse! For Intrastate moving companies, time is money and while sitting in seemingly never ending congestion, the costs just keep adding up, namely fuel and employee costs!

The WMC has openly participated in recent meetings discussing a review of HHG Tariff No. 15-C brought about by Clutter Inc.'s proposed changes to the HHG Tariff.

The WMC's Petition for a 6-month study of operating without a Maximum Rate Band along with solid consumer protections already in place is not without precedence and would –

- a. Allow regulated intrastate HHG moving companies to charge rates and fees acceptable to consumers following open discussion.
- b. <u>Eliminate</u> the need for costly UTC HHG Tariff No. 15-C rate studies.
- c. Continue to provide the consumer with solid Consumer Protections whereby the consumer must agree to offered moving and storage rates and fees by agreeing to and signing the moving company's completed Intrastate Estimated Costs for Services following a visual review of the customer's goods to be moved prior to the start of the move.
- d. Ensure changes to the Estimated Costs for Services requested by the consumer, which would add or delete items to be moved during the moving process, be mutually agreed to by both parties by way of a signed Supplemental Estimated Costs for Services.

- e. Provide regulated HHG moving and storage companies the flexibility to adjust to operational cost increases imposed at the State, County, and City level governments.
- f. Provide regulated moving companies the ability to implement regular vehicle and equipment replacement targets to insure safe operations on Washington's highways and protection of consumers goods.
- g. Provide regulated moving companies the ability to pass along surging fuel increases and likely State imposed low carbon fuel taxes and/or conversions to alternative fuel vehicles as they become required.
- h. Provide regulated moving companies the ability to pay their employees a reasonable family wage, including some benefits, thereby maintaining an adequate well trained work force.

In closing, Intrastate regulated HHG carrier's business owners would be able to properly manage and operate their businesses IAW the Tariff to satisfactorily meet their needed operating ratios for growth and success, plus meet the safe and efficient demands of their customers and the protection of the customer's goods and residences.

Thank you for your consideration.

Sincerely,

James R. Tutton, Jr. Executive Director