

May 24, 2022

TV-210812

VIA ELECTRONIC FILING

Greg Hammond
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Received
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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

Re: Petition requesting a six-month study of operating without a Maximum Rate Band in Intrastate HHG Tariff No. 15-C.

Docket No. TV-210812

Comments of Hansen Bros. Transfer & Storage

Dear Mr. Hammond:

Unfortunately, I will be enroute to a graduation in Minnesota during the workshop on Thursday, May 26th. Please accept these comments on behalf of Hansen Bros. Moving & Storage.

Increases in all operating expenses have gone up so fast that waiting for rate studies to be performed and studied is not quick enough in the present economic environment. This is why the WMC is requesting the maximum rate cap be taken off Tariff 15-C before the summer busy season starts. In addition, the rate study requests historic macro-economic information while trying to study the current costs of what is often just a portion of the average regulated company's business model. Most movers provide crews and equipment for some or all of these product lines which preclude a precise allocation of costs and expenses:

- Military packing, hauling and storage
- Permanent, long-term storage
- Office and Industrial moving
- Interstate packing, storing and hauling
- Distribution of new products
- Freight hauling
- Origin packing and loading of overseas shipments
- Destination unloading and unpacking of international shipments
- Hotel or retail delivery and installation of new fixtures
- Record storage – Pickup, retention, delivery and destruction

Allocating a business' myriad costs and expenses among these product lines would not be cost effective and would not reflect the true profitability of each intertwined facet of the overall business.

The removal of the maximum rate band would allow movers, who are independent businesses, to compete with both other movers for customers and other blue-collar businesses for qualified quality employees. Movers need to be able to pay competitive compensation to their staff in order to recruit and retain employees (background and drug-tested) who are able to perform their functions safely and efficiently for the consumer. With the cap on our rates, other trades are able to

offer more competitive compensation, leading us to be constantly churning our work force and losing the experienced employees that are so critical in a competitive marketplace where every miscue is broadcast on social media.

Without the removal of the maximum rate band and contemplating an interminable rate study by the UTC, we can not be confident that the current regulated moving rates will allow us to stay competitive with newer, more fuel efficient (and more expensive) equipment and keep pace with the continuing inflation of some of our critical expenses such as fuel, packing material and labor. Fuel prices have increased 72% in the last year; our insurance went up 14% even after reducing our fleet size; our medical benefits were up 14% even with higher deductibles, but are a critical factor in recruiting employees; packing material prices have jumped 42% in the last 29 months; property taxes are taking a huge jump with property values in certain areas skyrocketing; truck repair rates increased 14% when you can find the parts in a timely basis; used truck prices surged 49% last year; Seattle City Light has approval for increases of 3-4% per year for the next five years; and the list goes on. Most of our consumer sales are paid by credit card, but those fees can not be passed on to the consumer according to our tariff.

With the maximum rate band in effect and after having experienced so many skyrocketing expenses, we no longer have any room to accommodate new increases such as rising Class A driver compensation; leading us to shrink our capacity and push consumers to unlicensed movers that have stepped into the void with their “employees” who work off the books with no benefits, no background checks, no drug tests, no employment or business taxes, and no Labor & Industries protection for their workers. With additional capacity, we could offer competitive rates, written estimates, qualified and safe workers and the consumer protection offered by the UTC.

Thank you for the opportunity to provide these comments.

Very truly yours,

Larry A. Nelsen
President - Hansen Bros. Transfer & Storage
Current President of the Washington Movers Conference