

Agenda Date: June 29, 2023
Item Number: B4

Docket: TV-230026
Company: Washington Movers Conference

Staff: Mike Young, Regulatory Services
Andrew Roberts, Consumer Protection

Recommendation

Issue an order denying the Petition filed on January 12, 2023, by the Washington Movers Conference.

Discussion

On January 12, 2023, the Washington Movers Conference (WMC) petitioned the Washington Utilities and Transportation Commission (Commission) for 2.5 percent surcharge on the total charges assessed on the Uniform Bill of Lading whenever a credit card is used for payment of those charges. This surcharge would be in addition to other rates contained in Tariff No. 15-C. WMC also proposes language to be added to Item 80 in Tariff 15-C that states:

In advance of the move, the carrier must specify the method of payment on the estimate and any terms or conditions that apply to the method of payment, such as interest rates charged for credit plans *or credit card processing fees not to exceed 2.5% of the total applicable charges shown on the Estimated Costs for Services when the customer elects to pay with a credit card.*

The commission sets rates and charges for the transportation of household goods statewide. RCW 81.80.150 requires the commission to publish the tariff for the transportation of household goods. Commission staff (Staff) do not agree an increase to these rates, through a surcharge, is justified.

The WMC had filed a similar petition¹ previously, which the Commission allowed. Subsequently, the Commission removed the surcharge when all rates in Tariff 15-C were increased as part of a general rate proceeding². In the order for the general rate proceeding, the Commission stated:

Consistent with the Commission's policy for other regulated industries, we agree with Staff that embedding the credit card processing fees in the rate band is in the public interest. Consumers as a general matter are no longer accustomed to separate fees for credit card payments, and the use of credit and debit cards has become ubiquitous. In addition, quoting one price to customers regardless of their form of payment is more straightforward and transparent.

¹ Docket TV-180245, Orders 01, and 02.

² Docket TV-190664 Order 01

The WMC argues that such a surcharge is solely at the request of the customer and that therefore should be allowed, as customers have other options for payment. Staff disagrees. Customers can make payment only by methods allowed by the mover, and the payment methods utilized may differ from company to company. Further, credit card network agreements may have varying rates depending on the circumstances around the use of the card, and may vary by customer (e.g., gold, platinum, or rewards account vs. a basic account) and by company. WMC did not provide any supporting data for its determination of 2.5 percent, and although it may be possible the actual fee is more than 2.5 percent, it is just as likely that the fee assessed by the credit network may be less than 2.5 percent. Finally, Staff points to the Commission's previous determination that such a separate surcharge is not in the public interest. As in the previous instance, there is a concurrent docket that proposes an across the board rate increase to Tariff 15-C rates. In light of that action, Staff does not support an additional surcharge as requested in this petition.

Conclusion

Issue an order denying the Petition filed on January 12, 2023, by the Washington Movers Conference.