



Washington Movers Conference

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August 23, 2022

Chairman Dave Danner
Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

RECEIVED
RECORDS MANAGEMENT
AUG 31 2022
STATE OF WASH.
UTIL. & TRANSP. COMMISSION

Dear Chairman Danner:

Consider me as "tenacious" as opposed to "menacing". Tenacious is a mostly positive term. According to Google Search, if someone calls you "tenacious", you're probably the kind of person who never gives up and never stops trying – someone who does whatever is required to accomplish a goal in a professional manner. I learned this through my military career.

My comments today are related to the appropriateness of updating the UTC Intrastate HHG Tariff No. 15-C; Clutter, Inc. Petition Docket TV-210535 and more specifically to the Washington Movers Conference Petition Docket TV-210812, requesting removal of the HHGs Tariff's "Maximum Rate Band."

I am sure you understand it is not my intent to insult your intelligence with this letter. I just want to get as much important information as I can in the hands of responsible individuals in support of the professional Washington State Intrastate HHG Moving Industry.

First, the WMC is thankful for the recent Intrastate HHG Tariff No. 15-C 12.1% supplemental increase to the Maximum Rates and Charges contained within the Tariff. It really is a big assist that helps offset the constant increases in fuel costs. Although fuel costs are coming down a bit, the oil market is starting to creep back up again. At any rate, fuel costs at the pump are still over a dollar more from where pricing was a year ago. See enclosure. Also, Packing Material costs have seen three increases this past year and the federal government is having difficulty keeping inflation under control.

I am neither an Attorney nor an Accountant. But my humble belief is it may be time for the Utilities and Transportation Commission and staff department leaders to begin looking at the regulated Intrastate HHG Moving Industry a little differently than the other regulated transportation groups the UTC regulates. I am not seeking elite status for the Intrastate

HHG Moving Industry nor implying the other UTC regulated industries are not important, because they are. But the Intrastate HHG Moving Industry is a highly competitive industry whereby the HHG Tariff No. 15-C Rates and Charges assessed by individual companies to their customers are proprietary information.

In providing the requested HHG Tariff information related to household goods moves requested in the August 8, 2022, UTC letter and protect the HHG Carriers proprietary information from outside eyes, which UTC staff has told me they cannot do, let's start looking at pertinent information that may be available from State or Federal government resources for HHG Tariff No. 15-C rate increases rather than asking UTC regulated HHG carriers search and collect 3-1/2 years of financial data which the HHG Carriers may or may not have available.

There are some 324 regulated HHG Carriers holding either a Provisional or Permanent Intrastate HHG Intrastate Operating Authority listed on the UTC web site. I certainly am not sure how many of those HHG Carriers are still active or even have an accounting staff in place to capture and report the requested financial data. That leaves the issue with the professional members of the Washington Movers Conference.

The three major components of HHG Carriers financial posture are –

1. Employee Costs,
2. Fuel Costs, and
3. Equipment/Supplies Costs

Pertinent data for each category listed above may be available from State or Federal Agencies. For example –

Employee Costs – Washington State Department of Commerce or the Washington State Employment Securities Department.

Fuel Costs – “Fuel Line”, a weekly Publication of the American Trucking Associations based on data reported by the Energy Information Administration (EIA). See enclosed example dated August 23, 2022.

Equipment/Supplies Costs – Cost increases based on formal “Price Increase Reports” received directly from pertinent item vendors such as Packing Material suppliers.

Inflationary cost data is available from the U.S. Bureau of Labor Statistics – Consumer Price Index.

The competitive Intrastate Household Goods Moving Industry within Washington State operates whereby two or more parties (HHG Carriers) act independently to secure the business of a third party (Consumers) by offering their most favorable costs and terms for providing the consumer's requested services IAW the HHG Tariff No. 15-C. The cost factors used by the HHG carrier to develop the consumer's “Estimated Costs for Services”, WAC 480-15-630, cannot be discussed between HHG carriers due to long established Anti-Trust Guidelines in place.

The HHG Tariff No. 15-C currently in use has a multitude of Charge ITEMS for professional services based within a range of Minimum – Maximum rates and charges that can be legally assessed. Plus the Tariff covers two main types of HHG moves –

Long Distance (Milage Rated) Moves, those travelling more than 55 miles with the customer charged based on the weight of goods and distance being moved; and Local (Hourly-Rated) moves, those travelling 55 miles or less between origin and final destination with the customer charged based on time consumed to complete the requested move and assessorial services requested by the consumer.

Operating as an Intrastate HHG Carrier is complex. It also includes providing "Small Goods Transportation and Storage"; "Storage-In-Transit", temporary storage, 90-days or less; "Permanent Storage", storage of goods for more than 90-days; or short term "Storage-In-the Vehicle"; and a myriad of assessorial services depending on the customer's need and request.

Notably, the customer's goods come in all shapes and sizes and at different levels of value. Customer's homes/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 assessable by the tractor/trailer combination thereby requiring a "Shuttle" ; or historic, older homes with steep and narrow staircases making it difficult to negotiate with large items. Consequently, each HHG move provides a relevant challenge to the HHG carrier.

But most importantly, one must realize the customer has a wide choice of HHG carriers to choose from which sets them apart from some of the other Commission regulated transportation entities. The choice involves the smart consumer obtaining at least three "Estimated Costs for Services" for their review of charges to be assessed for their HHG move and doing their homework to insure the selected HHG Carrier is regulated for their protection. This means there is flexibility and choice in the competitive Intrastate HHG Moving Industry. WAC 480-15-190, Service territory, generally provides authorized statewide operations unless the HHG Carrier elects to limit their service territory in writing. Therefore, consumers within each city and county within Washington State have the opportunity to be serviced by multiple HHG carriers.

Household goods moving at any level requires competent, drug free, background checked, trained and able employees, (drivers, laborers, and office staff) to successfully complete each and every HHG move timely, damage free, at a Commission regulated HHG Tariff No. 15-C price, and ultimately completed to the customer's satisfaction.

When checking the UTC web site's "Consumer Complaints" when this section is working, annual Customer Complaints are very limited, 8-10 per year based upon 100s of intrastate HHG moves.

Customers too, expect HHG Carriers to provide clean, background checked, and honest workers that will be entering their homes or apartments/condos and handling all of their personal possessions. This is particularly clear for customers moving from or between million dollar homes that can be found in the Bellevue market for example.

Yes, intrastate HHG Carrier's employees go into the customer's home/apartment/condo and handle all of the customer's household goods from personal items, clothes, furniture and fine china to the rakes and shovels in the garage, if Packing is requested.

In today's economy, good, qualified employees are difficult to find. Truck drivers, for example, can apply and be hired by a commercial freight hauler with a \$10,000 hiring bonus! Intrastate HHG Carriers do not have the means to afford paying a "hiring bonus".

Good, qualified laborers are difficult to find as well. HHG moving is hard work! When fast food restaurants are hiring entry level employees at \$21.00 an hour, intrastate HHG carriers cannot compete at that pay level.

I know if you have read some of my other information submissions on this topic, some of the foregoing may be repetitive. But it is important information that I want in the hands of as many folks as possible.

It is the WMC's utmost concern, since the UTC regulates intrastate HHG moving and storage companies, that they understand the need for and ensure a level playing field for all.

The WMC looks forward to continuing to participate in any UTC scheduled Stakeholder meetings related to the foregoing issues.

Thank you for your attention to this important issue.

I am available for questions/comment. Telephone: (206) 499-9216.



James R. Tutton, Jr.
Executive Director

Encl: ATA "Fuel Line"

Cf: Commissioner Ann Rendahl
WMC President Larry Nelsen, Hansen Bros. Transfer & Storage Company



INDUSTRY OUTLOOK

The Energy Information Administration (EIA) reported that the price for U.S. on-highway diesel fell 0.2 cent last week to \$4.909 per gallon. The EIA is the statistical agency of the U.S. Department of Energy. The national average price is \$1.585 or 47.7% higher than at the same time last year.

Diesel prices were mixed across the country this week with sequential declines across the East Coast and Rocky Mountain regions but a pattern of small increases throughout the rest of the country. The Midwest experienced the sharpest increase, rising a still modest 1.8 cents to \$4.89 per gallon. The Central Atlantic region experienced the largest decline, falling 8.2 cents to 5.209 per gallon.

The price of West Texas Intermediate (WTI) crude oil settled at \$90.23 per barrel on August 22nd, 2022. The WTI crude oil closing price has dropped \$6.47 over the last month.

The EIA also reported that the price of regular grade gasoline decreased for the tenth week in a row, falling 5.8 cents on Monday to \$3.88 per gallon. The price of gasoline is 23.4% or 73.5 cents more expensive than a year ago. Nationwide, diesel costs \$1.029 more than gasoline.

U.S. commercial crude oil stockpiles fell 1.6% to 425 million barrels during the week of August 12th, 2022. Compared with a year ago, crude oil inventories were down 2.4%.

Meanwhile, total distillate stocks increased 0.7% from the previous week to 112.3 million barrels, which was 18.5% below the same time in 2021. Demand for distillates was up 4.3% from the previous week and down 2.7% from the same time last year. Nationwide, refineries were operating at 93.5% of capacity.

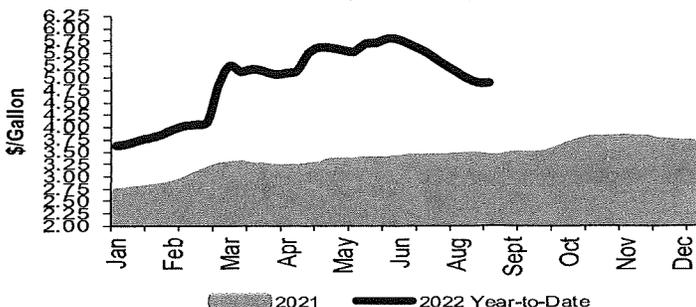
RETAIL AND WHOLESALE DIESEL

	08/22/22	Change	08/15/22	08/08/22	Year Ago	Change	Year High
National	4.909	-0.002	4.911	4.993	3.324	1.585	5.810
East Coast	4.922	-0.028	4.950	5.037	3.297	1.625	5.944
New England	5.122	-0.053	5.175	5.351	3.260	1.862	6.431
Centl Atlantic	5.209	-0.082	5.291	5.384	3.473	1.736	6.360
Lower Atlantic	4.795	-0.007	4.802	4.874	3.186	1.609	5.762
Midwest	4.890	0.018	4.872	4.959	3.216	1.674	5.780
Gulf Coast	4.619	0.005	4.614	4.677	3.038	1.581	5.453
Rocky Mtn.	4.885	-0.078	4.963	5.040	3.639	1.246	5.782
West Coast	5.548	0.007	5.541	5.630	3.992	1.556	6.516
California	6.029	0.010	6.019	6.097	4.284	1.745	6.915

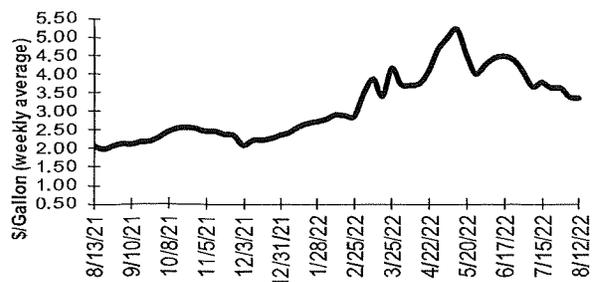
NO. 2 LOW-SULFUR DIESEL SPOT MARKET BUY AVERAGE PRICES (U.S./GAL)

	08/12/22	Change	08/05/22	7/29/22	Year Ago	Change	Year Hi	Year Lo
NY Harbor	3.382	-0.004	3.386	3.633	2.079	1.303	5.212	1.990
Houston*	3.319	0.024	3.295	3.594	2.023	1.296	4.746	1.937
Los Angeles*	3.280	0.072	3.208	3.528	2.185	1.095	4.563	2.072

National Diesel Fuel Price
(EIA Survey)



Spot Diesel Price
(NY harbor ultra low sulfur)



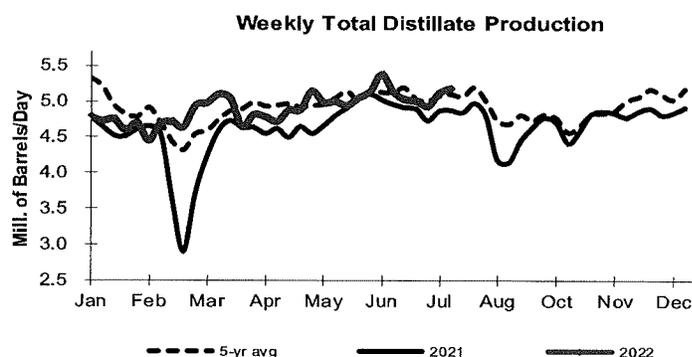
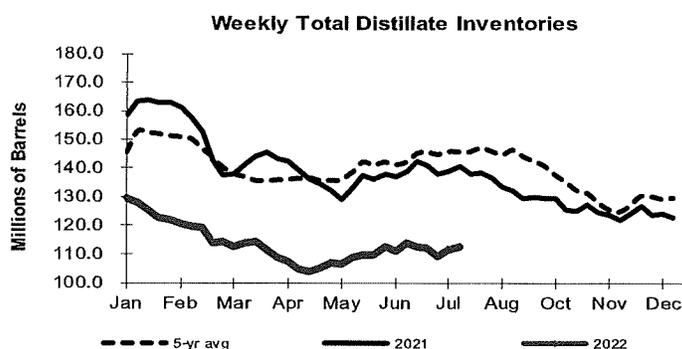
ENCLOSURE

ATA Fuel Line (August 23, 2022) -- Page 2

EIA Weekly Statistics: Production, imports, and estimated demand are in thousands of barrels per day. Inventories are in thousands of barrels. (Y-T-D = Year-to-Date; "----" = data not available)

Sources: *Weekly Petroleum Status Report*, Energy Information Administration & ATA

August 12, 2022	Current	Year Ago	Year % Chg.	YTD Avg	YTD % Chg
Total Distillate Market					
Production	5,178	4,848	6.8%	4,837	1.6%
Inventories	112,256	137,814	-18.5%	136,609	-15.0%
Imports	164	142	15.5%	220	2.7%
Estimated Demand	5,233	5,375	-2.7%	5,069	3.1%
Low-Sulf. Diesel Market					
Production	116	89	30.3%	104	-8.2%
Inventories	102,433	125,642	-18.5%	123,821	-15.2%
Imports	0	0	0.0%	1	13.5%
Estimated Demand	29	332	-91.3%	114	79.4%
U-LSD Market					
Production	4,946	4,634	6.7%	4,595	1.8%
Inventories	112,256	137,814	-18.5%	136,609	-15.0%
Imports	164	142	15.5%	215	2.4%
Estimated Demand	5,001	5,161	-3.1%	4,823	3.4%
Crude Oil Stocks	424,954	435,544	-2.4%	457,575	-9.1%
U.S. Refining Percent Operated Capacity	93.5%	92.2%	1.4%	---	



Heating Oil #2 Futures Prices

Oil Market Data²

U.S. Market (thous. bbl/d)

(four-week averages)

NYMEX (\$/Gal)	Latest	Previous Week	% change (week)						
				8/5/2022	7/29/2022	% chg. (week)	7/23/2021	% chg. (year)	
S-22	3.7692	3.4585	9.0%						
O-22	3.7308	3.4318	8.7%	Supply	29,348	29,494	-0.5%	28,454	3.1%
N-22	3.6750	3.3902	8.4%	Demand	20,106	19,917	0.9%	20,638	-2.6%
D-22	3.6183	3.3480	8.1%						
J-23	3.5650	3.3182	7.4%	Surplus /	9,242	9,577		7,816	
F-23	3.4954	3.2682	7.0%	Deficit					
M-23	3.4122	3.2037	6.5%						
A-23	3.3273	3.1350	6.1%						
M-23	3.2631	3.0832	5.8%						
J-23	3.2037	3.0413	5.3%						

Baker-Hughes Rotary U.S. Rig Count²

	7/29/2022	% chg. (week)	7/23/2021	% chg. (year)
	763	-0.5%	488	56.4%

Other Oil/Fuel Prices

	Latest	Previous Week	Last Year	Year High	Year Low
WTI Crude Oil (\$/bbl)	\$94.65	\$94.01	\$68.33	\$120.43	\$65.05
Brent Oil (\$/bbl)	\$104.64	\$102.54	\$71.09	\$127.40	\$68.08
Natural Gas Stocks (Bcf)	2,519	2,501	2,822	3,644	1,382
Natural Gas (\$/mmbtu)	\$8.15	\$8.14	\$4.10	\$8.95	\$3.57
Wholesale Gasoline (\$/gal)*	NA	NA	\$2.181	\$3.232	\$2.181
Retail Gasoline (\$/gal)	\$3.880	\$3.938	\$3.145	\$5.006	\$3.139

*Wholesale Gasoline is monthly with 3-month lag