



26 September 2019

Utilities and Transportation Commission
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 State Of WASH.
 UTIL. AND TRANSP.
 COMMISSION

To the Attention of the Commission:

Thank you for the opportunity to offer some feedback regarding the proposed changes to Tariff No. 15-C. We are a family-owned company which has been doing business in Washington since 1890. We employ close to a hundred people at our three locations in Puget Sound. As an organization, we strive to maintain the highest levels of customer service and compliance with the regulations of the state.

We aspire to continue at minimum our present level of service, but hopefully further growth, creating more jobs and supporting more customers needs throughout our area. To do this, change is needed to the existing tariff.

All of our costs have continued to climb which has not been reflected with increases to the tariff.

Property taxes	2014	2016	2019	
Seattle office		\$40,308	\$53,858	increase of 34%
Lynnwood	\$41,216	\$61,673	\$66,973	increase 62% and 9%
Equipment purchase		2016	2019	
53' new trailer		\$66,900	\$81,350	increase of 22%

Purchasing new local trucks does not pencil out since they are now over \$100,000 and most are manufactured back east so there is an additional cost to pick up or have it delivered.

Truck repair rate	2018	2019	
Per hour	\$92.50	\$102.50	increase of 11%

Packing material has gone up since the last tariff increase in 2016 – 17%

Labor – helpers

Starting wage since Seattle’s minimum wage rule has gone into law increased 33%

Class C driver starting wage up 29%

Class A (when able to find one) up 29%

Current employee wages are up 30% for helpers and Class C drivers, and 38% for Class A drivers.

Medical insurance rates have increased 38% in the last 5 years despite raising deductibles and lowering some coverage.

The Family and Medical Leave Act will add an estimated \$5,162 to labor expenses.

We have operated at maximum rates for local moves:

28.15% YTD

47.27% June through Sept.

Intrastate moving has been at maximum rates at a constant for as long as we can remember. With the current rates we cannot afford to do very many.

There are a variety of challenges:

- Reduced working time allowed with the present DOT rules

- Unpredictable time to navigate through traffic jams just to leave town

- Finding labor at destination is not easy so now we send a helper with the driver

- With the reduced work time allowed it ties up a crew for usually 2 days

- Additional overnight expense because of reduced working hours

- Increased fuel expense

- Wear and tear on the equipment

Considering all of these issues, it is much more productive to keep the crews and equipment in town doing local moves. The time, expense and risk is not worth the reward.

Because there is a cap on the rates, when capacity and the type of job dictates higher rates, we are not able to charge the logical amount. That does not allow companies to pay higher wages to compete with other types of trade jobs, which pull from the same type of individual we try to attract.

With difficulty hiring help because of not being able to pay those higher wages, it helps fuel the illegal movers since licensed movers run out of capacity in the summer months and at the end of each month throughout the year. When people need to move, they cannot wait. They are forced to find someone regardless of whether they are licensed and legal.

Letting companies determine rates based on their experience and the skills needed for each job is how other industries conduct business. On the same day, a moving company may be moving a college student's dorm room with basically no value, while another crew is in a \$15M house moving priceless antiques and artwork requiring highly skilled individuals using specialized equipment and materials. There should be pricing accommodating all types of moves, but still protecting the public from underfunded, under equipped and underinsured companies.

As you can see with just these few examples it is very expensive to operate a legitimate company. This is why a tariff is necessary which protects the consumer with a properly formatted written and signed estimate, combined with minimum rates, but also with no cap on rates, so companies can provide the services requested with fairly paid professionals, but still maintaining long-term profitability.

With minimum rates set and no cap on the top, we do not see a need for regional rates.

Thank you again for your consideration.

Best Regards,



Larry Nelsen
President