



CHAD M. STOKES
ADMITTED IN OREGON AND WASHINGTON

cstokes@cablehuston.com
www.cablehuston.com

January 12, 2024

VIA ELECTRONIC FILING

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

Re: Rulemaking to Revise WAC 480-15 Relating to Household Goods Carriers Tariff and Rates
Docket No. TV-210812 and TV-210535 (consolidated cases)

Clutter Inc. Comments on Rulemaking

Dear Executive Director and Secretary Hunter:

I. Clutter Inc. (“Clutter”) appreciates the opportunity to provide comments pursuant to the Washington Utilities and Transportation Commission’s (“Commission”) November 29, 2024 Preproposal Statement of Inquiry (CR-101). According to the Notice, this Rulemaking is:

“targeted at reviewing and considering revisions to WAC 480-15-490 which describes tariffs and rates in general and the requirements that the Utilities and Transportation Commission (UTC) set minimum and maximum rates the carriers may charge.”

Specifically, the Commission is focused on the rate bands for hourly rates of household moves in Section 230 of Tariff 15-C.

“This rulemaking seeks to determine if the industry is at a competitive point where less stringent economic regulation is appropriate and plausible. This rulemaking seeks to explore alternative economic regulatory frameworks that may be more appropriate in regulating this industry”.

Clutter appreciates the Commission considering these matters that are important to household goods carriers in Washington and supports removing the top and bottom rates household carriers

can charge for household goods moves in Washington. According to the Commission's website, there are approximately 270 licensed household goods carriers in Washington—all competing for the same customers. While Clutter is a relatively newer carrier, it operates in Washington and several other states. Based on this experience, Clutter believes that the Washington household goods industry is a highly competitive market that does not need to be economically regulated.

2. Clutter is an on-demand storage and moving company built on an end-to-end logistics and supply chain platform. Clutter's primary business in Washington state involves unregulated storage services, where customer goods are transported by Clutter and safely and securely stored in Clutter's centralized warehouse. Clutter also provides traditional household goods moves.
3. Household goods carriers are heavily regulated in Washington, but do not enjoy an exclusive service territory like Washington's investor-owned regulated utilities. In fact, household goods carriers are more heavily regulated than most industries, dictating the rates, contract terms, terms and conditions of service, insurance, and safety standards. While regulation of household goods carriers for safety and quality of service issues may still be appropriate, Clutter agrees that the Commission should look closely at eliminating rate regulation for household goods carriers in Washington.
4. The household goods industry in Washington is a highly competitive industry, and Clutter recommends that the Commission eliminate the rate bands currently in Tariff 15-C, Item 230. Eliminating the rate bands will allow carriers more flexibility in pricing, and the competition may actually improve service and reduce the rates some carriers charge for household goods moves. Competition may lead to improved service quality and product offerings as carriers that

offer services at similar prices will try to set themselves apart from the competition. Other carriers that offer “white glove” services, may charge rates that are above the current rate bands. A carrier that is moving a customer with expensive antiques and furniture may use its best employees and equipment for that job and ask for a premium for that service. Ultimately, the customer will decide if they are willing to pay for that level of service, or they may decide to hire a household goods carrier that offers a lower cost. And some carriers may offer household good moves at a reduced rate, either offering the same or different level of service as long as it complies with the regulatory requirements for household goods carriers. At the end of the day, competition will dictate what carriers can charge. If a carriers’ rate is too high, and other carriers offer similar services at a reduced rate, the market will require the original carriers’ rate to be reduced in order to compete. Competition in general is good for consumers.

5. For the last several years the operating environment in Washington has been very difficult. During and after the pandemic, carriers have seen increased material costs, and increased fuel and labor costs. For example, fuel costs have increased significantly in recent years, but this is not a cost that is directly passed through to customers. Rather, fuel costs are expected to be embedded in household goods carriers’ rates. Similarly, materials costs—including pallets, boxes, blankets, and other packing supplies—have increased significantly. And labor costs have also increased dramatically as carriers are competing for workers that are demanding a living wage job that keeps pace with inflation. Eliminating the rate regulation will allow carriers the ability to react to market pressures immediately without waiting for Tariff 15-C to be revised to reflect the changed market conditions. This not only will save time, effort and the significant resources dedicated by the Commission and stakeholders to Tariff 15-C rate issues, this also

protects household goods carriers by allowing them to charge a rate that covers their cost of service and a reasonable rate of return.

6. Unlike regulated utilities that have sophisticated accounting departments that put together complicated cost of service models for rate case filings, there are hundreds of household goods carriers that are often less sophisticated and knowledgeable about cost of service regulation and ratemaking in Washington. As competitors, household goods carriers are less likely to share revenues, expenses, and financial models to develop a universal rate methodology, which makes it more difficult to justify changing Tariff 15-C—even when its undisputed that the rates need to be increased. As a result, instead of relying on information provided by household goods carriers in Washington, Commission Staff is required to do their own research and analysis to determine if a rate increase is justified. Staff is therefore required to rely on generic inflation or other generic data rather than relying on a cost of service model or data provided by household goods carriers. As a result, the rates in Tariff 15-C do not get adjusted quickly as market conditions change, requiring household goods carriers to absorb these costs to the determinant of the carrier.
7. Clutter looks forward to working with Staff and other stakeholders in this rulemaking and appreciates the opportunity to provide these comments.

Thank you for your assistance.

Very truly yours,



Chad M. Stokes
Attorneys for Clutter

CMS:bh

cc: Clutter Inc. (*via e-mail only*)