

Washington Movers Conference Request to be Exempted from Proposed Rule  
(Docket A-021178)

The Washington Movers Conference (WMC) requests that Household Goods (HHG) Movers be considered for exemption from the proposed rule which would require the reporting of transactions between regulated utility and transportation companies and their subsidiaries.

Justifiably, recent energy market volatility, corporate accounting scandals, and bankruptcies are cause for concern among Commission regulators charged with maintaining affordable, stable telecommunications, energy, and other utility markets. However, we believe that the HHG industry operates in a substantially different environment than public utilities and companies in other highly regulated industries which can be subject to harm from inconsistent commodity supply and demand, volatile pricing, industry restructuring, and bankruptcies.

In 1999, the HHG industry was re-regulated, resulting in the elimination of barriers to entry into the industry, as well as the elimination of regulated territories. The industry was required to change from a former fixed price tariff to one consisting of a 40% band between minimum and maximum prices. There are new moving companies entering the industry every month, covering all areas of the state. As a result, consumers have access to a constantly increasing variety of new choices of companies, services, and prices.

Further, none of the HHG companies operating in Washington are publicly traded entities, which can be vulnerable to performance pressure from Wall Street and shareholders. In fact, the few hundred Washington HHG moving companies currently in operation consist entirely of small businesses owned by individuals, families or small partnerships, with relatively few subsidiaries. There exists in every area of the state competition among HHG movers such that even in the improbable event that several HHG companies located in the same geographic area were to simultaneously succumb to bankruptcies, it would be extremely unlikely that consumers would experience any noticeable difference in services or prices available.

In conclusion, the HHG industry in Washington is comprised of non-public, small businesses operating within a regulated, stable environment with minimal barriers to entry. Industry restructuring is unlikely, and due to fierce competition and maximum rates, there is no risk that prices could become volatile. For these reasons, we believe that there exists no risk that transactions between regulated movers and their affiliates or subsidiaries could adversely impact consumers.

Thank you in advance for your consideration. Please contact me if I may provide further information, or answer any questions.

Sincerely,

Jay Lawley  
Director  
Washington Movers Conference  
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