

Date Received: February 17, 1998

Docket No.: TV-971477

Company: Amends WAC 480-12, Relating to Household Goods Movers

Distribution:

Chairwoman Levinson
Commissioner Gillis
Commissioner Hemstad
Marjorie Schaer, ALJ
Shirley Burrell (Rulemakings cover letters only & changes to NOH)
Penny Hansen
Teresa Osinski
Dixie Linnenbrink
Ann Rendahl, AAG
Foster Hernandez
Vicki Elliott
Diana Otto
Paul Curl
Sally Turnbull
Carlene Hughes
Cathie Anderson
Kim Dobyms
Ray Gardner
Bonnie Allen
Pat Dutton
Carolyn Caruso
Mary Sprouffske (No comments)

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POMAHLEAU TRANSFER & STORAGE CORP.



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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

MS. PAT DUTTON, PROGRAM DEVELOPMENT
TRANSPORTATION
WUTC
P.O. BOX 47250
OLYMPIA, WA 98504-7250

RE: WUTC HHG RULEMAKING PROCESS

DEAR MS. DUTTON:

WENATCHEE IS A RELATIVELY FINITE MARKET WITH TWO AUTHORIZED MOVING COMPANIES. WE HAVE A GOOD WORKING RELATION, HOWEVER, COMPETITION IS FIERCE DUE TO OVERALL BUSINESS VOLUME. BOTH COMPANIES ARE FORCED INTO SUBSTANTIAL LAYOFFS DURING SLOW PERIODS. THE PROBLEMS ASSOCIATED WITH MAINTAINING A TRAINED PROFESSIONAL STAFF DURING SUCH TIMES SHOULD BE OBVIOUS.

IN AN INDUSTRY WHERE CUSTOMERS ARE UNDER STRESS AND EMOTIONALLY TIED TO MATERIAL POSSESSIONS, PROFESSIONALISM AND A SENSE OF 'TRUST' ARE CRITICAL TO SUCCESS. APPROXIMATELY 40% OF OUR BUSINESS IS REPEAT CUSTOMERS BECAUSE WE WORK VERY HARD TO EARN CUSTOMER CONFIDENCE AND OVERCOME THE STIGMA OF 'MOVERS' BEING SECOND CLASS CITIZENS. A REDUCTION IN BUSINESS VOLUME AND MARGINS THAT WILL RESULT FROM A LOWER 'COMPETITIVE' RATE WILL FORCE WAGES TO A LEVEL THAT MOVERS WILL BE SECOND CLASS CITIZENS. QUALITY WILL SUFFER BEYOND REPAIR.

DEREGULATION WILL OPEN THE DOOR TO A CONTINUOUS STREAM OF "FLY BY NIGHT" MOVERS THAT WILL FORCE COMPANIES LIKE OURS OUT OF BUSINESS. THEY WON'T OPERATE IN A LEGAL OR ETHICAL MANNER, NOR WILL THEY HAVE TO BECAUSE THEY WON'T HAVE ANYTHING AT STAKE. (AUTHORITY, THE PRIVILEGE TO DO BUSINESS AS PRESCRIBED BY THE WUTC).

AS WE ALL KNOW, THERE ARE MANY ILLEGAL OPERATIONS CURRENTLY TAKING BUSINESS FROM LEGITIMATE MOVING COMPANIES. THE WUTC HAS ALREADY DEMONSTRATED AN INABILITY TO ENFORCE THE CURRENT LAWS ON THESE ILLEGAL OPERATIONS. AN OPEN DOOR POLICY OF 'FIT, WILLING AND ABLE' WILL BE COMPLETELY IMPOSSIBLE TO ENFORCE. WHO WILL SUFFER? LEGITIMATE BUSINESSMEN AND THE PUBLIC!

OPERATING LEGALLY AND ETHICALLY IS VERY EXPENSIVE, IN KEEPING CUSTOMERS HAPPY, PAYING THE APPROPRIATE TAXES AND MAINTAINING A PROFESSIONAL STAFF WITH PROPER EQUIPMENT. IT IS NO SECRET THAT THIS INDUSTRY OFFERS

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MANY OPPORTUNITIES TO TAKE ADVANTAGE OF THE SYSTEM! WITHOUT ADEQUATE ENFORCEMENT THE COSTS WILL BE HIGH. INCREASED CONSUMER COMPLAINTS, REDUCED PUBLIC SAFETY, REDUCED TAX REVENUES. WE WORK VERY HARD TO MINIMIZE CLAIMS, HOWEVER, THEY DO OCCUR AND WE DO TAKE CARE OF THEM. 'SHOESTRING OPERATIONS', WHICH WILL BECOME THE NORM WITH DEREGULATION WILL BE UNWILLING AND UNABLE TO SATISFACTORILY SETTLE CLAIMS RESULTING IN A BARRAGE OF COMPLAINTS AND ULTIMATELY A BLACK EYE FOR THE ENTIRE INDUSTRY. THESE SAME TYPE OPERATIONS WILL NOT HAVE THE CAPITAL TO MAINTAIN EQUIPMENT AT AN ADEQUATE LEVEL BECAUSE THEY WILL HAVE PRICED THEMSELVES TO LOW. IF THESE SO CALLED 'COMPANIES' OPERATE LIKE THE CURRENT BUNCH OF ILLEGAL MOVERS, THEY MOST LIKELY WILL NOT PAY THE TAXES THAT ARE REQUIRED OF LEGITIMATE COMPANIES.

THE CONCEPT OF BINDING ESTIMATES OR CEILING PRICES (WILL NOT EXCEED) SOUND GOOD IN THEORY, BUT THEY WILL HAVE THE SAME EFFECT AS DEREGULATION. COMPANIES WILL BE 'LOW BALLING' ESTIMATES LEADING TO NEGLIGIBLE MARGINS AND ULTIMATELY VERY POOR SERVICE. ALSO, A BINDING ESTIMATE ALLOWS THE CUSTOMER TO TAKE ADVANTAGE OF THE MOVING COMPANY BY ADDING TO THE LOAD ONCE A PRICE HAS BEEN ESTABLISHED. WHEN CONFRONTED WITH AN ADDENDUM FOR ADDITIONAL WEIGHT THE CUSTOMER WILL DENY PAYMENT OR LEAVE THE COMPANY WITHOUT THE BUSINESS, FINDING SOMEONE ELSE TO HAUL THE LOAD FOR THE REDUCED DOLLAR AMOUNT. THIS WILL LEAVE THE ORIGINAL COMPANY WITH NO RECOURSE ON THE INVESTMENT THEY ALREADY HAVE IN THE JOB AND NO REVENUE FOR THAT DAY.

DEREGULATION HAS BEEN A HOT TOPIC IN RECENT YEARS, WITH BOTH POSITIVE AND NEGATIVE RESULTS. DESPITE THE CLAIMS BY AN UNKNOWING FEW, IT IS PLAIN THAT DEREGULATION OF THE INTRASTATE HOUSEHOLD GOODS INDUSTRY WILL BE VERY COSTLY LESSON.

SINCERELY,



MIKE MARSH
OPERATIONS MANAGER

COPY FURNISHED: SPEAKER OF THE HOUSE-CLYDE BALLARD
SENATOR GEORGE SELLAR
SENATOR LINDA EVANS PARLETTE

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