

VIA FAX

Date Received: January 20, 1998

Docket No.: TV-971477

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

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WASHINGTON MOVERS CONFERENCE

930 South 336th Street • Federal Way, WA 98003-6384
(206) 838-1650 • 1-800-732-9019 • Fax (206) 838-1715

James R. Tutton, Jr.
Executive Director

January 13, 1998

Ms Pat Dutton
Regulatory Services, Program Development
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

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Dear Pat,

The following are coordinated "advance comments" from the Washington Movers Conference for your review regarding the Household Goods Rulemaking, Docket No. TV-971477.

The WMC is eagerly looking forward to working with the commission, through this review process, to improve upon the current Regulatory Rules and Administrative Codes, where necessary, that effect the efficient and cost effective transportation of INTRAsTate household goods within the State of Washington.

To this end the following suggested comments/improvements to your identified areas of interest are provided:

Household Goods Definition - The following definition is suggested. "Household goods" are defined as personal effects and property used or to be used in a dwelling when a part of the equipment or supply of such dwelling, requiring specialized handling. "Household Goods" are further defined to include such property when moving from a factory or store when purchased by the householder with the intent to use in his or her dwelling and the transportation of the property is requested by the householder with applicable transportation charges paid directly to the household goods carrier.

Tariff Publication - The WUTC should continue to publish the Household Goods Tariff No. 15 for the hauling of household goods between points in the State of Washington. Household goods transportation rates and assessorial charges are presently approved by the commission based upon sound rate study requests submitted by industry which delineate the carrier's normal overhead and operating costs yet provides a minimal profit margin. This present process insures the relocating public is afforded efficient transportation services at the least possible compensatory cost.

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Household Goods Permit Application Process - There should be no change to the present application process. The reasoning to support this recommendation is to insure the continued availability of legitimate, full service household goods transportation providers in all locales within the State of Washington. Fitness, financial responsibility, safety compliance, and knowledge of typical industry practices are all areas that need to be formally reviewed and/or documented. Prospective new, non-transferring permit applicants need to clearly identify public need and/or interest for their services in a given territory that is not presently available. The transportation of household goods, because of their uncommon shapes and sizes, requires special handling and protection, particularly during over-the-road movement, to preclude unnecessary loss or damage. To simply grant authority based on ownership of a delivery truck and a hand-cart is not in the best interest of the consumer.

Definitions in the Operating Authorities - This is a topic we have discussed with the commission in the past and are in mutual agreement that there is need for improvement. Suggested improvements include eliminating commercial zones and designating specific county wide authority in lieu of local cartage (city) authority in a household goods carriers statewide authority. Local cartage authority at the city level is no longer prudent given the ever growing state population. Cities with a population of greater than 10,000 are much more prevalent today than they were 15-20 years ago. In addition, these improvements would provide, in most cases, additional selection opportunities for consumers of professional, certificated household goods carriers.

Estimates, the Determination of Charges and a Resolution Process - The present system of providing a written Estimated Cost of Services and, when needed, a Supplemental Estimated Cost of Services to the shipper by the carrier's representative, following a visual inspection of the items to be moved prior to the loading date or on the loading date, when additional work not previously contained in the estimate is requested, is working quite well. Binding Estimates would serve no purpose and could be a mechanism for a shipper to obtain an unauthorized discount.

As specified in the "General Information for Shippers of Household Goods by Motor Carriers in Intrastate Commerce", which is a required document to be provided each and every shipper in advance of the pick-up date of the household goods, it states the shipper is legally obligated to pay the transportation and other charges computed in accordance with the tariff published by the WUTC. However, if the charges exceed the original and supplemental estimate, if any, the carrier must, at the shipper's request deliver the household goods upon payment of 110% of the estimated charges. The balance of the charges shall be deferred for not more than 30 days following delivery.

A suggested improvement to this procedure of payment of 110% would be whenever total tariff charges exceed the estimated cost of services by more than 15% for a mileage rated shipment, or 25% for an hourly rated shipment, the carrier must relinquish possession of the entire shipment upon payment of the charges called for by the written estimated cost of services and/or supplement provided to the customer plus an amount equal to the charges greater than the estimate and supplement but not to exceed 15% for mileage rated shipments and 25% for hourly rated shipments. When the respective 15% or 25% allowances are exceeded, the carrier shall defer payment of the remainder of the tariff charges for not more than 30 days following delivery of the shipment.

Should the carrier receive a written complaint from the shipper regarding an overcharge exceeding the respective 15% and 25% allowances, the carrier will acknowledge receipt of the complaint in writing to the shipper within 10 working days following the date the complaint is received. The carrier will then have 30 calendar days from the date of receipt of the complaint to satisfactorily review the complaint and adjust or make a firm compromise settlement offer, or deny the complaint in its entirety, in writing, to the shipper. Complaints not capable of being satisfactorily resolved between the shipper and the carrier will be referred to a third party for binding resolution.

The foregoing suggestion, or words to the same effect, would also apply to claims for loss or damage and would need to be incorporated into the "General Information for Shippers of Household Goods by Motor Carriers in Intrastate Commerce".

Valuation (not insurance) Levels for Lost or Damaged Articles - Presently there are four valuation options to select from for shipment coverage available to the consumer. They include the following:

Replacement Cost Coverage - No depreciation is applied to arrive at the amount the consumer is paid for loss or damage. This valuation coverage costs the most.

Standard Full Value Protection - Depreciation is applied in arriving at the amount the consumer is paid for loss or damage. The cost to the consumer for this level of protection is \$.85 per each \$100.00 of declared value of \$10,000 or \$3.50 for each pound of weight in the shipment, whichever is greater.

Partial Coverage - The actual weight of the consumers items to be relocated is multiplied by \$1.25 with the result used as the value of the goods. The cost to the consumer for this coverage is \$.70 per each \$100.00 of resulting value. The actual dollar amount reimbursed in relation to the actual value of the goods is not very good.

Basic Coverage - There is no cost to the consumer for this coverage, but the coverage of the goods is very limited. The consumer is paid \$.60 per pound of any lost or damaged item.

It should be noted that for local moves, moves that transit 35 miles or less, Partial Coverage is not available to the consumer.

We suggest eliminating the Partial Coverage level and offering just three levels of valuation coverage as follows:

Replacement Cost Coverage - This is a combination of Replacement Cost Coverage and Standard Full Value Protection described above at a cost to the consumer of \$.85 per each \$100.00 of value. Depreciation factor on claims for lost or damaged items will not apply.

Depreciated Value Protection - This level of coverage would replace the Partial Coverage described above and would increase the multiplier from \$1.25 to \$2.00 times the actual weight of the shipment. The cost to the consumer would be \$.70 per each \$100.00 of resulting value.

Basic Value Protection - This replaces the Basic Coverage described above, just expands the title. There still would be no cost to the consumer for this level of protection.

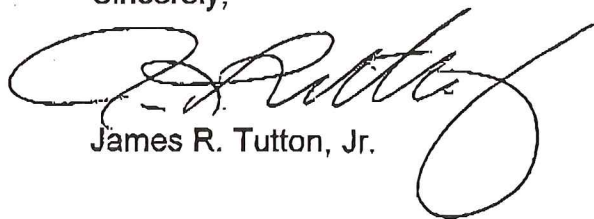
The above three levels of valuation protection have been incorporated into the rewrite of WUTC Tariff No. 15, ITEM 16, recently provided to Ms Cathie Anderson at the WUTC.

Permit Numbers in Advertising - RCW 81.80.357, "Advertising - Household Goods - Permit Number Required - Penalty", was legislation enacted during the 1994 Legislative session. It is a rule that is easy to follow by certificated carriers of household goods. The legislation does not, however, provide any requirements to publishers of telephone books, directories, or newspapers to screen submissions for publication to ascertain if the submission is from a legal certificated carrier of household goods. All too many publications carry numerous solicitations from illegal non-certificated operators contending to be bonafide household goods carriers. This kind of illegal action leads to confusion and misunderstanding by the consumer. Examples include: Why are there differences in hourly rates charged? Why can one provider of household goods transportation services provide discounts and the other can't? Why do I have to rent the truck? Why are rates different on the weekends from one provider versus another?

We know the answers to these questions; and you know the answers to these questions. Illegal movers do not pay required business operating taxes, they do not provide workers comp coverage for their employees, they have no program to monitor and resolve loss or damage claims, their equipment is never subject to safety compliance standards, their levels of insurance coverage are not subject in scrutiny, plus many more factors involved. Put simply, however, they are cheaters and consumers who knowingly choose to use them fall in the same category!

Pat, I would like to set up a meeting with you prior to January 29, 1998. Please call me at 800-732-9019 to select a date that is mutually acceptable.

Sincerely,



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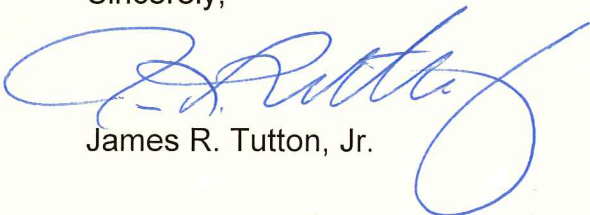
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