

Date Received: June 1, 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  
Vicki Elliott  
Diana Otto  
Paul Curl  
Sally Turnbull  
Linda Elhart  
Foster Hernandez  
Bonnie Allen  
Cathie Anderson  
Carlene Hughes  
Kim Dobyms  
Ray Gardner  
Carolyn Caruso  
Pat Dutton  
Alan Dickson (mail)  
Mary Sprouffske

For Records Center Use Only

RMS   
FOB  *- already one*  
PR \_\_\_\_\_  
MSL \_\_\_\_\_  
NOH \_\_\_\_\_  
Disk \_\_\_\_\_  
Initial   *W*





**MICHAEL KARP & ASSOCIATES  
PUBLIC INTEREST CONSULTING**

TV-971477

May 27, 1998

Pat Dutton  
Assistant Director  
WUTC  
P.O. Box 47250  
Olympia, WA 98504-7250

**Re: Docket No. TV-971477**

Dear Ms. Dutton,

Please consider these comments, on behalf of Public Counsel of the Attorney General of Washington State, for your June 5, 1998 Rule Drafting Session on Household Goods. As you know, I will be in Alaska during that time due to prior obligations. It is my understanding that Regina Cullen, an Assistant Attorney General with the Consumer Protection Division of the Attorney General of Washington will be present to represent a consumer point of view. I defer to her judgment representing consumers in my absence.

The following comments are intended to clarify/confirm my thoughts from the previous two drafting sessions:

**1. BINDING WRITTEN ESTIMATES (BILL OF LADING)**

Since the purpose of having a carrier representative come to a shipper's home is to give an estimate from which the shipper will make an informed decision regarding the carrier, the written estimate (Bill of Lading) should be binding. This assumes that both parties have signed and dated the written estimate and the estimate is based on an agreed upon list of household items, conditions and circumstances that accurately depict both ends of the move. Both parties should be made clear that the written estimate is a legal contract and governs the rights and responsibilities of the carrier and the shipper in the transaction. The WUTC may grant waivers of the written estimate to carriers in cases that involve natural disasters or other such circumstances clearly beyond the control of the carrier. In such cases, the WUTC may also consider the allocation of said extra costs between the shipper and the carrier.

**RECEIVED**

**JUN 01 1998**

**WASH. UT. & TP. COMM.**



**SUGGESTED LANGUAGE:**

**Written estimates are mandatory and binding. The written estimate is based on an inventory of household items, conditions and circumstances that accurately depict both ends of the move. For items worth over \$500 and listed as such on the inventory by the shipper, including the existing condition of the item, the carrier may choose to visibly inspect such items before signing the document. In all cases, prior to household goods being handled and moved, the written binding estimate shall be signed and dated by both the shipper and the carrier, unless the shipper signs that he/she waives the right of having a written estimate. In those cases where a shipper signs a waiver, he/she is signing that they understand, should a disagreement occur over breakage or other mishaps and conflict during the contract period, that a third party arbitrator or judge may have little evidence to go by in a contested proceeding.**

**In such cases as the shipper is unaware of the "back-end" description, the shipper may request that the carrier, for an additional fee that is part of a tariff filing, visit the site or sub-contract to visit the site in order to obtain the information necessary for a binding written estimate.**

**Supplemental charges, not to exceed the appropriate tariff, may be required if the original inventory, conditions and circumstances is inaccurate or for special handling situations, agreed to in advance and signed and dated by both parties.**

**The WUTC may grant waivers of the written estimate to carriers in cases that involve natural disasters or other such circumstances clearly beyond the control of the carrier. In such cases, the WUTC may also consider the allocation of said extra costs between the shipper and the carrier.**

**2. VALUATION AND INSURANCE**

It is our position that consumers may be very confused regarding valuation and insurance. The minimum level of valuation now in effect (60 cents a pound) provides almost no coverage, should breakage, loss or other damage occur during the contract period between the shipper and carrier. If valuation is to be used, it should be clear to the consumer what valuation is and how it differs from insurance, in the documents that the consumer signs.

If valuation is continued to be used, we recommend that there be three levels of valuation offered to shippers:

- The first option, is payment of \$1.50 per pound, for all items valued on the inventory under \$500 each. This is an arbitrary valuation based on the actual weight of those items times \$1.50. It will not require additional charges to be paid by the shipper that are not built into tariffs.
- The second, Standard full value protection, is for all items declared in advance on the inventory to be over \$500 in value each, and uses depreciation of items to arrive at the amount the shipper is paid for loss or damage. It will not require additional charges to be paid by the shipper that are not built into tariffs.
- The third option, is full Replacement cost coverage. This third option will require additional charges from the shipper.

If insurance coverage is to be purchased by the shipper through the carrier, we recommend that standard policy language for insurance policies is developed by the Commission and to monitor loss ratios for these policies.

#### SUGGESTED LANGUAGE:

- **The first option, is payment of \$1.50 per pound, for all items valued on the inventory under \$500 each. This is an arbitrary valuation based on the actual weight of those items times \$1.50. It will not require additional charges to be paid by the shipper that are not built into tariffs.**
- **The second, Standard full value protection, is for all items declared in advance on the inventory to be over \$500 in value each, and uses depreciation of items to arrive at the amount the shipper is paid for loss or damage. It will not require additional charges to be paid by the shipper that are not built into tariffs.**
- **The third option, is full Replacement cost coverage. This third option will require additional charges from the shipper.**

### **3. ARBITRATION AND MEDIATION**

In case of conflict not resolveable by WUTC staff, the shipper and carrier should have the opportunity mediation or arbitration services. Arbitration and mediation service options should be available that are independent of the "Moving" industry, or other trade associations, such as the Better Business Bureau. Though those options should be available as well, they should not be the only options offered.



SUGGESTED LANGUAGE:

**In case of conflict not resolveable by WUTC staff, the shipper and carrier should have the opportunity mediation or arbitration services. Arbitration and mediation service options should be available that are independent of the "Moving" industry, or other trade associations, such as the Better Business Bureau.**

**4. MAXIMUM RATES**

The WUTC should adopt a policy for a maximum rate for household goods, both for hourly and distance applications. These rates are the "cap" allowed for such services.

Thank you for the opportunity to provide comments for your June 5th meeting. These comments are intended to stimulate further discussion amongst the parties and to ultimately inform the Commissioners for their deliberations on the topic. Should you have specific questions on anything I have written, please fax or e-mail them to me and I will make every effort to respond. On behalf of Public Counsel,



Michael Karp  
Principal