**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

###### STAFF AUDIT REPORT

**OF THE BUSINESS PRACTICES OF**

**BUMBLEBEE MOVING NORTH, INC.**

**Docket # TV-082024**

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Compliance Investigations Section

Safety and Consumer Protection Division

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#### PURPOSE, SCOPE and AUTHORITY

**Purpose**

BumbleBee Moving North, Inc. (BumbleBee) holds common carrier authority, including transportation of household goods, within the state of Washington. The purpose of this audit, in Docket No. TV-082024, is to determine the company’s compliance with Washington State statutes and Washington Utilities and Transportation Commission (UTC or commission) rules.

**Scope**

The scope of the audit focuses on transportation of household goods in Washington intrastate commerce by BumbleBee Moving and the company’s compliance with Washington State statutes and commission economic and consumer protection rules.

**Authority**

Staff conducts this investigation under the authority of the Revised Code of Washington (RCW) 81.04.070, RCW 81.80.130, and RCW 81.80.330; and Washington Administrative Code (WAC) 480-15-010, which gives the Washington Utilities and Transportation Commission regulatory authority over companies that transport household goods within the state of Washington.

Copies of the laws and rules are included in Appendix A.

**Staff**

M. Carlene Hughes, Compliance Program Coordinator, Compliance Investigations Section

###### EXECUTIVE SUMMARY

Commission staff has investigated numerous complaints into the economic compliance and business practices of BumbleBee Moving since it received its operating authority in 2000. During these investigations commission staff has given BumbleBee ongoing training and technical assistance in an effort to help the company obtain compliance with state statutes and commission rules.

While staff began this audit to determine the type of additional assistance that was needed for BumbleBee to more effectively address its economic compliance and consumer complaint issues, staff found that in some areas of compliance, BumbleBee was provided sufficient direction in the past to correct its conduct. Staff finds that BumbleBee continues to make business decisions that indicate the company is either unwilling or unable to comply with the household goods laws and rules.

This audit of BumbleBee’s economic records and business practices finds the company in violation of the following state statutes, commission rules, and the Household Goods Tariff 15-C:

1. WAC 480-15-390, which requires household goods carriers to conduct operations under the exact name shown on its household goods permit.
2. WAC 480-15-480, which requires household goods carriers to file annual reports and pay regulatory fees by May 1st of each year based on the prior year’s operations.
3. RCW 81.80.357 and WAC 480-15-610, which requires household goods carriers to list their commission-issued permit number in any advertising for household goods moving services.
4. WAC 480-15-630, which requires household goods carriers to visually inspect the goods to be moved, and provide the customer with a written estimate of the cost of the move prior to moving a shipment of household goods.
5. WAC 480-15-630 and Tariff 15-C, Item 85, which requires household goods carriers to use an estimate form that includes all of the tariff-required elements.
6. WAC 480-15-660 and Tariff 15-C, Item 85, which requires household goods carriers to provide a supplemental estimate if the circumstances surrounding the move change in any way to cause the rates or charges for the move to increase.
7. Tariff 15-C, Items 80 and 85, which requires household goods carriers to release a shipment of household goods to a customer upon payment of no more than 110 percent of the estimate.
8. WAC 480-15-710 and Tariff 15-C, Item 95, which requires household goods carriers to use a bill of lading form that includes all of the required elements listed in Item 95.
9. WAC 480-15-710 and Tariff 15-C, Item 95, which requires household goods carriers to complete a bill of lading so that the bill includes all of the required information listed in Item 95.
10. WAC 480-15-490, which requires household goods carriers to follow the terms, conditions, rates, and all other requirements imposed by the commission-published tariff.
11. Tariff 15-C, Item 200, which requires household goods carriers to apply mileage rates on long distance shipments moving more than 55 miles.
12. WAC 480-15-800, which requires household goods carriers to provide customers with all information necessary to file a complaint or claim.
13. WAC 480-15-810, which requires household goods carriers to process a customer’s complaint or claim in accordance with commission rules.
14. WAC 480-15-830, which requires household goods carriers to maintain specific information about all claims and complaints for three years.
15. WAC 480-15-890, which requires household goods carriers to respond to commission-referred complaints within the timeframes required by rule.
16. WAC 480-15-610, which requires household goods carriers to ensure their advertising is not misleading, false or deceptive.

**Recommendation**

While this audit gives BumbleBee clear and comprehensive technical assistance to comply with state law and commission rules, and staff would, in most cases, recommend that where BumbleBee had previously been given technical assistance and had continued to violate that same law or rule, a penalty for continuing non-compliance be issued, in this investigation staff does not.

This investigation found evidence for the issuance of the following penalty amount:

Failure to respond to commission-referred complaints.

Staff finds a $100 penalty each for two hundred and eighty violations of WAC 480-15-890, for failure of BumbleBee Moving to respond to commission-referred complaints within the time required by rule. Total recommended

penalty of $28,000.

However, after the investigation of BumbleBee was concluded in December 2008, the permit authority of BumbleBee Moving North was cancelled for failure to file its annual report and pay regulatory fees.

As the company no longer has operating authority, effective January 30, 2009, staff would not recommend a penalty at this time. Staff recommends that the commission take no action against BumbleBee Moving North and close the investigation. Staff’s investigation documents and report will remain on file for reference.

#### BACKGROUND

# Company Information

BumbleBee Moving North, Inc. is located at 17825 State Route 9, in Snohomish, Washington.

Jonathan Warner, sole proprietorship, doing business as BumbleBee Moving North, was issued a temporary provisional household goods permit on May 11, 2000. Permanent authority, under permit number HG-11872, was issued to Mr. Warner on August 30, 2002. On June 2, 2003, Jonathan Warner, d/b/a Bumblebee Moving North, and BumbleBee Moving North, Inc., filed joint application P-79134 for transfer of permanent household goods carrier authority to the corporation. The operating authority was transferred from a sole proprietorship to the corporation on July 10, 2003.

**Company Revenue**

BumbleBee’s revenue, as shown in its annual reports filed at the commission, indicate:

|  |  |  |
| --- | --- | --- |
| Reporting Year | Date Filed | Revenue |
| 2004 | June 29, 2005 | $606,631 |
| 2005 | December 6, 2006 | $639,876 |
| 2006 | November 27, 2007 | $270,556 |
| 2007 | No report filed[[1]](#footnote-2) | ----------- |

**Background**

BumbleBee Moving was identified as a possible audit candidate when the Compliance Investigations Section reviewed the Consumer Protection Section’s consumer complaints for 2004 through 2007, and found that BumbleBee had a high level of violations for a small number of consumer complaints. The following chart shows BumbleBee’s complaint and violation totals:

|  |  |  |
| --- | --- | --- |
| Year Complaints Filed | Number of Complaints | Number of Violations |
| 2004 | 2 | 3 |
| 2005 | 3 | 31 |
| 2006 | 2 | 51 |
| 2007 | 1 | 260[[2]](#footnote-3) |
| 2008 (through Nov) | 1 | 88 |

BumbleBee Moving has shown a pattern of ongoing non-compliance in responding to commission-referred complaints, correctly completing the bill of lading, and processing customer claims or complaints in a timely manner.

The high number of violations prompted staff’s audit of BumbleBee Moving.

# AUDIT

# Contacts with Company

The Consumer Protection Section staff contacted BumbleBee Moving and its president, Jonathan Warner, numerous times while investigating the consumer complaints filed against BumbleBee from 2003 through 2008. In each complaint staff provided technical assistance to the company and notified the company when it was in violation of state law, commission rules, or the commission-published Household Goods Tariff.

Pages twelve through sixty-eight of this report identify BumbleBee’s non-compliance with household goods statutes or commission rules.

# Compliance Contacts

The company received its first technical assistance visit from the commission’s Motor Carrier Special Investigator Alan Dickson on July 26, 2000, during the company’s provisional permit period. Investigator Dickson provided Jonathan Warner, owner, with the commission’s Household Goods Guide to Compliance, copies of sample bills of lading and estimate forms, in addition to other commission documents, and discussed business and economic Washington Administrative Code (WAC) rules with the company. Investigator Dickson found the company in substantial compliance with commission rules.

Continued technical assistance has been given to Mr. Warner and BumbleBee by the commission’s Consumer Protection Section staff during the processing of consumer complaints since Consumer Protection staff began investigating household goods complaints in 2001.

## Data Request

## On June 5, 2008, the commission sent BumbleBee Moving a data request asking for company records and information about the company’s policies or processes.

## The data request stated, in part:

*Dear Mr. Warner,*

*Under Washington State law (RCW 81.04.070), the Utilities and Transportation Commission (UTC) has the right to inspect the accounts, books, papers, and documents of any household goods moving company doing business in this state.*

*As part of a review of your household goods moving company, the UTC requires BumbleBee Moving provide the following information and documents:*

1. *For every residential move performed within the state of Washington from May 1, 2008 through May 31, 2008, please provide all supporting documents related to each customer’s move, including, but not limited to, the bill of lading, estimate, supplemental estimate, inventory records, weight slips, and all documents related to temporary storage of the goods.*
2. *A copy of the company’s complaint and claims register, listing all complaints and claims received from January 1, 2008 through May 31, 2008, including all documents related to each complaint and claim.*
3. *Copies of the company’s advertising (i.e., yellow page ads, newspaper ads, “Little Nickle” ads, web site pages, brochures, flyers).*

The data request stated the documents must be filed at the commission by June 20, 2008.

A copy of the commission’s data request is included in Appendix B.

Staff used the documents and information furnished from this data request and consumer complaints filed against BumbleBee Moving to conduct this audit of the company’s operations.

**GENERAL BUSINESS RULES**

* Use of Permitted Name
* Annual Report and Regulatory Fees
* Permit Number in Advertising

#### USE OF PERMITTED NAME

***WAC 480-15-390****requires a company to**conduct operations under the exact name shown on its household goods permit. If the company does business under a trade or assumed name, that name must also appear on the permit.*

**Audit**

BumbleBee is registered under the corporate name of BumbleBee Moving North, Inc. [[3]](#footnote-4) This is the name that must be used when conducting all household goods moving operations. BumbleBee has not registered a “doing business as” (d/b/a), trade, or assumed name with the commission.

The company’s bills of lading use the name “Bumble Bee Moving, Inc.”. The company’s “scratch sheet” (a written estimate provided to customers when a phone survey is performed) shows the name of “Bumble Bee Moving Services”.

The only advertisement sent to staff in response to the commission’s data request was a BumbleBee Moving customer brochure. On the brochure the company uses the names “Bumble Bee Moving & Storage” and “Bumble Bee Moving.

The company’s Web site at www.bumblebeemoving.com and the company’s letterhead both use the correct name of Bumble Bee Moving North, Inc.

Copies of BumbleBee’s bill of lading, scratch sheet estimate, advertisement, website page, and letterhead are included in Appendix C.

**Findings**

Staff finds that BumbleBee Moving conducts operations under different names than the name shown on its household goods permit in violation of WAC 480-15-390. Staff considers this audit as the company’s technical assistance for WAC 480-15-390. If future violations are found, penalties or other sanctions may be imposed.

## Recommendation

BumbleBee Moving must conduct all operations under the name shown on its household goods permit in compliance with WAC 480-15-390.

#### ANNUAL REPORT AND REGULATORY FEES

***WAC 480-15-480****requires a household goods company to file its annual report and pay its regulatory fee by May 1st of the year following the calendar year on which the company is reporting.*

**Audit**

The following table shows the dates BumbleBee paid its regulatory fees and filed its annual reports for the last five years (under the corporate entity):

|  |  |  |
| --- | --- | --- |
| Reporting Year | Date Filed | Revenue |
| 2003 | October 26, 2004 | $493,235 |
| 2004 | June 29, 2005 | $606,631 |
| 2005 | December 6, 2006 | $639,876 |
| 2006 | November 27, 2007 | $270,556 |
| 2007 | No report filed[[4]](#footnote-5) | ----------- |

**Findings**

Staff finds that BumbleBee Moving has failed to file its annual report by the required due date every year for the last five years in violation of WAC 480-15-480.

Additionally, BumbleBee Moving has received a commission penalty assessment each year it has failed to file timely. Staff finds BumbleBee aware of the requirement to file its annual report and pay its regulatory fee by May 1, but chooses not to comply with the commission rule.

**Recommendation**

BumbleBee Moving must file its annual report and pay its regulatory fee by no later than May 1 of the year following the calendar year for which it is reporting in compliance with WAC 480-15-480.

####  USE OF PERMIT NUMBER IN ADVERTISING

***WAC 480-15-610****Carriers must include the commission-issued permit number, name or trade name as recorded at the commission, business address and business telephone number in any advertising for household goods moving services. Advertising includes, but is not limited to:
     (a) Advertisements in telephone books, newspapers, correspondence, cards, or any other written document.
     (b) Signs, posters or similar displays.
     (c) Web sites or other on-line advertising.*

**Audit**

Staff finds the company includes its permit number on its bill of lading, letterhead, and its Web site, however, on its website and letterhead it uses the permit number CC-11872, instead of the correct permit designation of HG-11872.

**Findings**

Staff finds BumbleBee in substantial compliance with WAC 480-15-610. Staff considers this audit as the company’s technical assistance for WAC 480-15-610, and notification to BumbleBee that it must change its permit number in advertising to show HG-11872. If future violations are found, penalties or other sanctions may be imposed.

**Recommendation**

BumbleBee Moving must include its correct permit number in all forms of advertising in compliance with WAC 480-15-610, and correct those advertisements where an improper commission permit number is being used.

ESTIMATES

* Estimates
* Estimates - Format
* Supplemental Estimates
* Release of Goods

**ESTIMATES**

***WAC 480-15-630 -*** *Every carrier is required to provide a written estimate to every customer prior to moving a shipment of household goods and must issue a written supplemental estimate when required by commission rule or tariff. The carrier must provide estimates by following the requirements set in the commission-published tariff covering household goods movers. The initial estimate may be a binding or nonbinding estimate.

     (1) A binding estimate is the promise of a guaranteed cost of a move from the carrier to the customer. The carrier is bound to charge only the amount of the estimate and no more.

     (2) A nonbinding estimate is an estimate of the amount the carrier will charge to move a customer's household goods. The customer may pay charges in excess of the estimate.

     (3) A supplemental estimate is in addition to any other estimate. A supplemental estimate is required if the circumstances surrounding the move change in a way that causes rates or charges to increase. The customer must accept and sign the supplemental estimate prior to additional work being performed.

     (4) A carrier may provide the hourly rate it charges and the amount of time it believes it will take to make the move. A carrier may provide the rate per unit of weight it charges and the total weight it believes a shipment weighs. However, the carrier must provide a written binding or nonbinding estimate before making the move.

     (5) A carrier may not conduct a move until it has visually inspected the goods to be shipped, unless the customer completes a web site calculation or hard-copy calculation sheet as described in subsection (6) of this section, and the carrier has provided a written binding or nonbinding estimate to the customer.

     (6) A carrier may provide an estimate based on a customer-completed web site calculation or customer completed hard-copy calculation sheet if:

     (a) The estimate contains all of the elements required by the tariff.

     (b) The customer electronically "signs" the information provided on the web site by entering the customer's name and the date the information was filled out on the screen. The date must be present and must be entered by the customer.

     (c) The carrier provides the customer with a current copy of the brochure "*Your Guide to Moving in Washington State*."

     (d) The estimate discloses at the web site or on the hard-copy calculation sheet that:

     (i) The estimate is not binding.*

 *(ii) The cost of the move may exceed the estimate.

     (iii) The customer will be required to pay up to one hundred ten percent of the estimate upon delivery. Carriers must allow customers at least thirty days from the date of delivery to pay amounts in excess of the one hundred ten percent.

     (iv) The customer is not required to pay more than one hundred twenty-five percent of the estimate regardless of the total cost unless the carrier issues and the customer accepts a supplemental estimate.

     (7) The carrier must complete the estimates as required by tariff.

     (8) All written estimates must be signed and dated by both the carrier and customer prior to the move.*

**New Rules and Tariff**

Effective January 27, 2008, new household goods rules were adopted in Docket No.

TV-070466. On February 1, 2008, a new commission-issued Household Goods Tariff No. 15-C went into effect. Copies of the new rules and updated tariff were sent to all permitted carriers.

Both the rules and tariff made significant changes to the way household goods carriers are required to provide services and bill their customers. Included in the changes was the requirement that all customers be given a written estimate prior to the actual move.

To assist household goods companies in understanding these changes, the commission provided rule and tariff training sessions for all interested parties in three locations around the state during the spring of 2008. All permitted carriers were notified of the training. Neither Mr. Warner, nor any staff of BumbleBee Moving attended the training.

## Audit

An estimate is a written approximation of the probable cost of a move prepared in compliance with the provisions of the household goods tariff. Estimates are based on factors such as the size of the shipment and the van space required, the weight of the household goods, the amount of time needed to complete the move, and the type of special services provided. A household goods company must provide its customer with either of two basic types of estimates, binding or non-binding.

Issuing a written estimate is both a good business practice for the company and a safeguard for the customer as it provides the customer with costs and information before the move. The company can clearly state on the estimate what services the customer asked for and what services the company intends to provide, and the cost for each service. This protects the company if the customer later challenges the work done or the amount charged. The customer can get numerous estimates and choose the moving company that fits the customer’s needs and the price they want to pay. If estimates are properly completed there should be no misunderstanding about the details of the move.

Estimates are a key component for customers to be able to plan successful moves of their household goods. An estimate must be an accurate assessment of the cost of the move so customers are able to base their moving decisions on accurate and complete information.

In the commission’s data request, BumbleBee was asked to furnish for the month of May 2008, “all supporting documents related to each customer’s move, including, but not limited to, the bill of lading, estimate, supplemental estimate, inventory records…”

For the 37 bills of lading BumbleBee furnished for regulated moves that occurred in May 2008, only three had an estimate attached. A number of bills had what BumbleBee refers to as a “scratch sheet”, described by Jonathan Warner as a written estimate provided to customers when a phone survey is performed. Neither the estimate nor the “scratch sheet” complies with the rules or tariff requirements for estimates.

Copies of BumbleBee’s estimates and scratch sheet forms are included in Appendix D.

In addition to not providing every customer with a written estimate as required by rule, staff found that the few estimates BumbleBee had written were not actual estimates of the cost of the prospective move, but simply a list of rates and charges that BumbleBee could charge for different move services, depending on the customer’s choices.

For example, the Rus estimate included as part of the cost of the move, $316 for valuation coverage. The customer chose the no-cost $.60 valuation for the move. The Rus estimate was not an estimate of the cost of this customer’s actual move, but simply a list of options that the customer could choose from.

For the Bischoff estimate, BumbleBee indicated two labor rates, a total of $1,387.50 for a weekday move, or a total of $1,687.50 for a Saturday or Sunday move. The Bischoff estimate also included a valuation cost of $702, based on a lump sum value of the shipment of $87,750. This customer also chose the no-cost $.60 pound coverage for the actual move.

Even under the previous Tariff 15-B (in effect until January 31, 2008), BumbleBee failed to comply with the estimate rules. In consumer complaint 102178 (Russell), for a move completed in August 2007, the estimate provided by BumbleBee failed to include the correct valuation options; failed to note if the estimate was binding or non-binding; failed to include a section regarding storage options; failed to separately list the cost of packing materials; and, failed to include the customer’s designation that he or she had received or refused the Rights and Responsibilities Guide.

A copy of the Russell estimate is also included in Appendix D.

**Findings**

BumbleBee Moving does not provide an estimate to each customer prior to moving the customer’s goods. For the few estimates BumbleBee does complete, BumbleBee does not do actual estimates for a customer’s move, but instead gives the potential customer a price list of options that are not specific to the customer’s actual move. None of the estimates showed actual choices made by the customer for which the estimate was written. None of the estimates BumbleBee submitted were signed or dated by the customers.

BumbleBee is in violation of WAC 480-15-630, for not completing a visual inspection of the goods to be moved and not supplying an estimate to the customer prior to moving the customer’s goods. Staff considers this audit as the company’s technical assistance for WAC 480-15-630, and notification to BumbleBee that it must provide a written estimate to every customer prior to moving a shipment of household goods. If future violations are found, penalties or other sanctions may be imposed.

**Recommendation**

BumbleBee Moving must provide written estimates for all household goods moves in compliance with WAC 480-15-630.

**ESTIMATE - FORMAT**

# *Tariff 15-C, Item 85 - ESTIMATES*

1. *Carriers must give customers a copy of the customer information required in WAC 480-15-620 at the same time as they provide an estimate.*
2. *Carriers must include the following elements in all binding and nonbinding estimates, even if those estimates are completed by the customer in electronic or hard-copy format:*
3. *Carrier’s name, address, phone number, fax number (if any), and e-mail address (if any).*
4. *Whether the estimate is binding or nonbinding.*
5. *A space for the customer to sign or initial stating that the customer was provided a copy of the brochure “Your Guide to Moving in Washington State.”*
6. *Customer’s name, phone number and address.*
	1. *Customer’s contact person, if other than customer.*
	2. *Origin, destination and any intermediate stops for the shipment.*
	3. *A household goods cube sheet inventory of the items upon which the estimate is based and the estimated cubic footage for each item.*
	4. *For long distance shipments, the estimated total weight of the shipment and an explanation of the formula used. The formula may not be based on less than seven pounds per cubic foot.*
	5. *For local moves, the number of carrier personnel and vehicles that will be used, the number of hours each will be involved in the move and associated rates and charges.*
	6. *For long distance moves, the mileage between the origin, destination and intermediate stops and associated rates and charges.*
	7. *Overtime hours and charges.*
	8. *Third-party or accessorial services to be provided and associated charges.*
	9. *Charges for loss or damage protection coverage (valuation).*
	10. *Storage to be provided and associated charges.*
	11. *Charges for packing and unpacking services, and for containers.*
	12. *For binding estimates, a statement that the estimate is a guarantee of the cost of the move and that the carrier will not charge above the estimated charges without preparing a supplemental estimate.*
	13. *For nonbinding estimates, the following information:*
		1. *The estimate is not binding.*
		2. *The cost of the move may exceed the estimate.*
		3. *The carrier must release the shipment to a customer upon payment of no more than 110 percent of the estimate. Carriers must allow customers at least 30 days from the date of delivery to pay amounts in excess of the 110 percent.*
		4. *The customer is not required to pay more than 125 percent of the estimate regardless of the total cost unless the carrier issues and the customer accepts a supplemental estimate. (The 125 percent does not include any finance-related charges the carrier may assess for extending credit, such*

# *The forms of payment the carrier will accept, including any terms or conditions that apply to the method of payment, such as interest rates charged for credit plans.*

* 1. *Signatures of the carrier personnel completing the form and the customer and the dates each signed.*
1. *A supplemental estimate must include the following, if changed from the original estimate:*
	1. *Carrier’s name, address and phone number.*
	2. *Customer’s name, address and phone number.*
	3. *Origin, destination and any intermediate stops for the shipment.*
	4. *Customer contact person for the supplemental estimate, if other than the customer.*
	5. *A complete description of the services or products added by the supplemental estimate and associated charges. Each service or product and charge must be listed separately in sufficient detail to determine if proper rates were charged according to the tariff or, where no tariff charges exist, in sufficient detail to determine the exact nature, number, and type of charges.*
	6. *Signatures of the carrier personnel completing the form and the customer and the dates each signed.*
2. *Estimates for moves completed by the carrier must be filed with the bill of lading and retained for the same length of time as required for the bill of lading. Estimates for moves not completed may be discarded when the estimate expires.*

**Audit**

BumbleBee Moving provided two forms it uses to estimate the cost of moving a shipment of household goods:

* Estimate Sheet
* Scratch Sheet (also used with Online Quote Form)

Neither form complies with Item 85 of Tariff 15-C.

#### Estimate Form

#### The estimate form BumbleBee submitted with its bills of lading is a two-page, text format that includes a number of estimate elements and general information.

#### While the form includes some requirements such as the customer’s name, shipment origin and destination addresses, proposed date of move and hourly charges, the estimate form does not include all of the Tariff 15-C, Item 85 requirements. In addition, BumbleBee Moving adds items to the estimate that are in violation of the tariff.

#### Staff found the following violations of Item 95:

####  The estimate form does not include a space for the customer to sign or initial stating the customer was provided a copy of the brochure “Your Guide to Moving in Washington State”.

* The form does not include the customer’s address and phone number.
* The form does not include a space for the customer’s contact person if other than customer.
* The form does not include spaces for any addresses for intermediate stops for the shipment, even when the estimate notes additional stops.
* The form does not include a cube sheet inventory of the items upon which the estimate is based, and the estimated cubic footage for each item.
* The form does not include a space for overtime charges.
* The form does not include a space for third-party or accessorial service to be listed and associated charges.
* The form does not include a space for the customer’s choice of charges for loss or damage protection (valuation). The valuation options shown on the estimate are not the required options shown in Tariff 15-C, Item 90. The charge shown for valuation on the estimate does not designate what valuation option the customer chose.
* The form does not include a space for storage options and associated charges.
* The form does not show the individual charges for packing containers (only total charges shown).
* The form does not include a statement that the estimate is not binding (for non-binding estimates).
* The form does not include a statement that the cost of the move may exceed the estimate (for non-binding estimates).
* The form does not include a statement that informs the customer the carrier must release the shipment upon payment of no more than 110 percent of the estimate, and that carriers must allow customers at least 30 days from the date of delivery to pay amounts in excess of the 110 percent.
* The form does not include a statement that the customer is not required to pay more than 125 percent of the estimate regardless of the total cost unless the carrier issues and the customer accepts a supplemental estimate.
* The form does not include a signature of the carrier personnel completing the form and the date signed.
* The form does not include the signature of the customer that he or she has accepted the estimate and the date signed.

Items included on BumbleBee’s estimate that are not allowed by commission rule or Tariff 15-C:

* The form includes a fuel surcharge at a rate of 3 percent of the move in violation of Tariff 15-C. (Riddle estimate)
* The form lists packing materials such as paper, bubble wrap, and tape in violation of Tariff 15-C. (Rus estimate)
* The form shows additional pickups or deliveries without indicating the location of the additional stops. (Riddle estimate)
* The forms included a $100 rental fee for an additional vehicle. Additional equipment cannot be listed as an additional charge. Employee and equipment costs are included in the tariffed rates for the move. (Riddle estimate)

#### Scratch Sheets

When commission staff asked Jonathan Warner to furnish copies of the estimates that were required to be provided for each of the regulated moves BumbleBee conducted during May, 2008, Mr. Warner responded that they provided estimates for each move. He said that there were two kinds of estimates:

“[our formal estimate], which is provided when we perform an on-site estimate, and our scratch sheets, which are provided to customer when a phone survey is performed.  Every customer is provided a written estimate, either by formal or scratch sheet, prior to move start.”

In his letter to staff on July 1, 2008, Jonathan Warner further explains the two types of estimates BumbleBee gives his customers:

“1. Written estimates (we provide full written estimates for larger jobs and upon request from customer)

2. Scratch sheets (these sheets are gathered from customer information provided to us via phone or email. We do not, give dollar estimates, but do provide our rates, our minimum # of hours, and a range of hours based on similar type moves. The # of hours listed on the scratch sheets are primarily for our purposes, so that we may properly schedule/route our daily moves on each truck.)”

WAC 480-15-630 requires the carrier to visually inspect the goods to be shipped, and provide the customer with a written estimate, prior to conducting the move. BumbleBee Moving does not comply with the rule as it provides moves without having visually inspected the goods, or furnished the customer with a complete written estimate.

#### On-Line Estimate

WAC 480-15-630 states that a carrier may not conduct a move until it has visually inspected the goods to be shipped, unless the customer completes a web site calculation or hard-copy calculation sheet, and the carrier has provided a written binding or nonbinding estimate to the customer. The carrier may provide an estimate based on a customer-completed web site calculation or hard-copy calculation sheet if:

1. The estimate contains all of the elements required by the tariff.
2. The customer electronically “signs” the information provided on the web site by entering the customer’s name and the date the information was filled out on the screen. The date must be present and entered by the customer.
3. The carrier provides the customer with a current copy of the brochure “Your Guide to Moving in Washington State.”
4. The estimate discloses at the web site or on the hard-copy calculation sheet that:
5. The estimate is not binding.
6. (ii) The cost of the move may exceed the estimate.
7. (iii) The customer will be required to pay up to 110 percent of the estimate upon delivery. Carriers must allow customers at least thirty days from the date of delivery to pay amounts in excess of the 110 percent.
8. The customer is not required to pay more than 125 percent of the estimate regardless of the total cost unless the carrier issues and the customer accepts a supplemental estimate.

BumbleBee Moving has an online estimate form which is completed by the customer. From the documentation received from BumbleBee, staff found that BumbleBee takes the information from the online form (list of goods to be moved), completes an inventory of the customer’s goods, and completes a “scratch sheet”. BumbleBee does not complete an estimate form. The online web site calculation sheet does not contain the customer’s electronic signature or date. The online form is a simple listing by the customer of the goods to be moved. BumbleBee Moving is not in compliance with the online or website calculation and estimate rules as required by WAC 480-15-630.

Copies of Bumblebee’s online quote form, and an example online quote “scratch sheet” estimate are included in Appendix E.

**Technical Assistance**

On July 31, 2006, BumbleBee Moving was issued estimate rule violations in commission-referred complaint 95415. Commission staff Gail Griffin-Wallace notified BumbleBee Moving of these violations:

“I am closing this complaint. I have advised the customer that according to the estimate, she owes an additional $200 (binding). However, several violations are being noted.

See summary below:

WAC 480-15-650[[5]](#footnote-6)

- failure to include email address on written estimate

- failure to include name, company affiliation, title, signature, phone number of person completing estimate

- failure to include name of party receiving goods

- failure to provide a list of articles covered by the estimate

- failure to provide cubic footage for each article

- failure to include a summary of all charges

- failure to include any special instructions

WAC 480-15-650(3)

-failure to obtain signatures

## Findings

Staff finds that BumbleBee Moving does not comply with the commission’s estimate rules or tariff requirements in WAC 480-15-630 and Tariff 15-C, Item 85, even after the company was issued violations for providing an improper estimate previously. Staff considers this audit as the company’s technical assistance for WAC 480-15-390. If future violations are found, penalties or other sanctions may be imposed.

## Recommendation

BumbleBee Moving must furnish estimates to customers prior to moving the customer’s goods, and the estimate form and information must include all rule and tariff requirements.

# SUPPLEMENTAL ESTIMATES

***WAC 480-15-660****requires that supplemental estimates be provided if the circumstances surrounding the move change in any way to cause the rates or charges to increase. The carrier may not apply a higher rate to the articles and services identified in the original estimate, but a carrier may choose to use a higher rate for the new services or articles not included in the original estimate. The carrier and the customer MUST sign the supplemental estimate prior to the additional work being performed.*

## Audit

BumbleBee Moving did not submit any supplemental estimate forms with the bills of lading that were supplied to staff in response to the commission’s data request.

However, staff found that BumbleBee Moving should have issued a Supplemental Estimate when it conducted the Riddle Move (May 30, 2008).

BumbleBee estimated the Riddle Move at a total cost of $1,246.61. The estimated charges included:

 2 trucks for 7 hours @ $15.00 = $210.

 4 men for 7 hours @ $38.00 = $1,064.

 Fuel Surcharge @ 3% = $38.22[[6]](#footnote-7)

 =$1,312.22

 Less a 5% discount = Estimate $1,246.61

BumbleBee Moving billed the customer $1,558.75. Since the cost of the move increased by adding additional services ($100 truck rental fee[[7]](#footnote-8), $57 for extra stop), BumbleBee was required to issue a supplemental estimate.

## Findings

Staff finds that BumbleBee Moving does not comply with the commission’s estimate rules or tariff requirements in WAC 480-15-660 and Tariff 15-C, Item 85. Staff considers this audit as the company’s technical assistance for WAC 480-15-660. If future violations are found, penalties or other sanctions may be imposed.

## Recommendation

BumbleBee Moving must furnish supplemental estimates to customers if the circumstances surrounding the move change in any way to cause the rates or charges to increase.

**RELEASE OF GOODS**

**Item 80 of Tariff 15-C –** *Payment of Charges states that if the total due upon delivery exceeds the original estimate, the carrier must release the shipment to the customer when the customer pays either the full amount of the original binding estimate and supplemental estimates, or 110 percent of the original nonbinding estimate including supplemental estimates.*

**Item 85 of Tariff 15-C** – *Estimates, states that all estimates must include information that the carrier must release the shipment to a customer upon payment of no more than 110 percent of the estimate. If the customer pays 110 percent of the estimate then the carrier must allow the customer at least 30 days from the date of delivery to pay the amounts in excess of the 110 percent.*

**Audit**

BumbleBee is not in compliance with Item 80 or Item 85 of Tariff 15-C. BumbleBee estimated the Riddle move at a total cost of $1,246.61.

BumbleBee Moving billed the customer $1,558.75, due to additional services and charges added to the move. BumbleBee should have offered to release the shipment at 110 percent of the original estimate ($1,371.28), and allow the customer 30 days to pay the remaining amount owed. The customer paid the bill in full. There is no indication that the customer was offered release of the goods for the lesser amount.

## Findings

Staff finds that BumbleBee Moving does not comply with the commission’s estimate rules or tariff requirements in Tariff 15-C, Item 80, and Item 85. Staff considers this audit as the company’s technical assistance for Items 80 and 85. If future violations are found, penalties or other sanctions may be imposed.

## Recommendation

BumbleBee Moving must release the shipment to a customer upon payment of no more than 110 percent of the estimate, and change its estimate form to include the release of goods information.

#### BILLS OF LADING

#### Bills of Lading

#### Bills of Lading – Format

#### Bills of Lading - Completion

#### BILLS OF LADING

***WAC 480-15-710 (1)*** *A bill of lading is a shipping document issued by the household goods carrier, signed by both the shipper and the household goods carrier, that establishes the legal contract terms and conditions for the shipment of household goods.*

*(2) The carrier must issue a bill of lading for each shipment of household goods it transports and must give the customer a completed copy of the bill of lading used for the customer’s shipment.*

*(3) The carrier must include the information in a bill of lading as described in the commission’s tariff.*

*(4) The carrier must keep the bill of lading and all associated documents for three years from the date the move was completed.*

All household goods carriers must use a bill of lading that includes all of the requirements listed in Item 95 of Tariff 15-C, and complete the bill of lading in a manner that shows all information necessary to determine the proper tariff rates and charges. Any element that is used to determine customer charges must be clearly shown and described on the bill of lading.

BumbleBee Moving is neither in compliance with the bill of lading format nor does it complete the bill in a manner that complies with commission rules.

Copies of BumbleBee’s 37 bills of lading issued in May 2008 are included in Appendix F.

## BILL OF LADING FORMAT

# ITEM 95 – BILLS OF LADING

The commission’s Tariff 15-C, Item 95, describes the information that must be included on the bill of lading and the contract terms and conditions that must be printed on the bill of lading.

# *The carrier must issue a bill of lading for each shipment of household goods transported and must maintain a copy of each bill of lading on file for three years. Both the carrier and the customer must sign and date the bill of lading. The bill of lading must include, at a minimum, all information described below:*

# *The name, permit number, address, and telephone number of the household goods carrier and the fax, Web site, and e-mail address, if any.*

# *The name and telephone number of the customer.*

# *The name and telephone number of the consignee, if different than the customer.*

# *The exact address of the origin of the move.*

# *The exact address of the destination of the move.*

# *The exact address of any additional pickup points or stops to partially load or unload.*

# *A separate section of the form that includes a declaration of the length of time and location at which the customer wishes property to be stored. For example:*

1. *Storage-in-transit (storage for 90 days or less).*
2. *Permanent storage (storage for more than 90 days).*
3. *Storage in the carrier’s vehicle.*

# *A separate section of the form that indicates whether the associated estimate is binding or nonbinding.*

# *A statement that the carrier must release the shipment to a customer upon payment of no more than 110 percent of the estimated charges when the carrier uses a nonbinding estimate.*

# *A statement that the carrier will extend credit for at least 30 days and that within such period the customer must pay the remainder due. The carrier may establish its own credit policy, but it must allow at least 30 days and must disclose its policy to the customer on the bill of lading. The carrier may not require the customer to pay more than 125 percent of the non-binding estimate plus supplemental estimates. (The 125 percent does not include any finance-related charges the carrier may assess for extending credit, such as interest or late payment fees.)*

# *A section where the customer must select, by signing his or her initials, the type of loss and damage protection (valuation) for the shipment. This section must read as follows:*

***LOSS AND DAMAGE PROTECTION (Valuation):*** *The customer must select and initial only one of the following options:*

 *\_\_\_\_\_* ***Basic value protection.*** *I release this shipment to a value of 60 cents per pound per article, at no cost to me. This means I will be paid 60 cents per pound for the net weight of the lost or damaged item, regardless of the actual value of the item.*

*\_\_\_\_\_****Replacement cost coverage with deductible*** *which includes a*

*$300 deductible paid by me. This option will cost $\_\_\_\_\_\_\_.*

*The value I declare must be at least $5.00 times the net weight of the shipment.*

*\_\_\_\_\_****Replacement cost coverage with no deductible****, at a cost of $\_\_\_\_\_. The value I declare must be at least $5.00 times the net weight of the shipment.*

#  *If the shipment will be calculated using mileage rates, include:*

# *The mileage of the move.*

# *The net weight of the shipment, either by constructive or actual weight as evidenced by documentation of the constructive weight calculation or the actual weight ticket.*

# *If the shipment will be calculated using hourly rates, include the time the vehicle leaves the carrier’s terminal and the time it returns to the terminal, or when the carrier was released to go to another customer, and the start, stop, and any interruption time for each employee involved in the move.*

# *The amount and type of every charge assessed as a separate line item. Each charge must be fully described in sufficient detail to determine if proper rates were charged according to the tariff or, where no tariff charges exist, in sufficient detail to determine the exact nature, number, and type of charges.*

## Audit

The bill of lading used by BumbleBee Moving is not in compliance with the format shown in Tariff 15-C, Item 95. BumbleBee is not in compliance with the following tariff items or rules. The bill of lading must include, at a minimum, all information described below:

#

# *a. The name, permit number, address, and telephone number of the household goods carrier and the fax, Web site, and e-mail address, if any.*

BumbleBee’s business name on its bill of lading shows “Bumble Bee Moving Inc.” The correct name that must be used on the bill of lading is “BumbleBee Moving North, Inc.” BumbleBee’s bill of lading also does not include either the carrier’s Web site address or its e-mail address even though BumbleBee uses both.

# *The name and telephone number of the consignee, if different than the customer.*

BumbleBee’s bill of lading does not contain a location to show the consignee’s phone number, only a place for the customer’ or consignee’s name.

# *g. A separate section of the form that includes a declaration of the length of time and location at which the customer wishes property to be stored. For example:*

 *Storage-in-transit (storage for 90 days or less).*

 *Permanent storage (storage for more than 90 days).*

 *Storage in the carrier’s vehicle.*

BumbleBee’s bill of lading does not include a section that allows the customer to declare the type of storage the customer’s goods will be placed in.

# *h. A separate section of the form that indicates whether the associated estimate is binding or nonbinding.*

BumbleBee’s bill of lading includes improper estimate language. Household goods companies are required to provide a written estimate to the customer before conducting a move. Customers have a choice to receive either a binding or a non-binding estimate.

BumbleBee’s bill of lading, in addition to showing the customer had a choice for either a binding or non-binding estimate, has an option on its bill that states “I [customer] did not request a written estimate on this shipment and understand I will be required to pay charges shown on this contract.”

BumbleBee cannot state on its bill that an estimate is not required. An estimate must be written for every move.

# *i. A statement that the carrier must release the shipment to a customer upon payment of no more than 110 percent of the estimated charges when the carrier uses a nonbinding estimate.*

BumbleBee’s bill of lading does not include the statement that the customer’s goods must be released upon payment of 110 percent of the estimate.

# *j. A statement that the carrier will extend credit for at least 30 days and that within such period the customer must pay the remainder due. The carrier may establish its own credit policy, but it must allow at least 30 days and must disclose its policy to the customer on the bill of lading.*

# *The carrier may not require the customer to pay more than 125 percent of the non-binding estimate plus supplemental estimates. (The 125 percent does not include any finance-related charges the carrier may assess for extending credit, such as interest or late payment fees.)*

BumbleBee’s bill of lading does not include a statement that it will extend credit for up to 30 days, nor does the bill state that the carrier may not require the customer to pay more than 125 percent of the non-binding estimate.

# *k. A section where the customer must select, by signing his or her initials, the type of loss and damage protection (valuation) for the shipment. This section must read as follows:*

***LOSS AND DAMAGE PROTECTION (Valuation):*** *The customer must select and initial only one of the following options:*

***\_\_\_Basic value protection.*** *I release this shipment to a value of 60 cents per pound per article, at no cost to me. This means I will be paid 60 cents per pound for the net weight of the lost or damaged item, regardless of the actual value of the item.*

***\_\_\_Replacement cost coverage with deductible*** *which includes a $300 deductible paid by me. This option will cost $\_\_\_\_\_\_\_.*

 *The value I declare must be at least $5.00 times the net weight of the shipment.*

***\_\_\_Replacement cost coverage with no deductible****, at a cost of $\_\_\_\_\_. The value I declare must be at least $5.00 times the net weight of the shipment.*

*I declare a lump sum total dollar valuation on this entire shipment of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.[[8]](#footnote-9)*

BumbleBee’s bill of lading does not include the correct Loss and Damage Protection (Valuation) amounts. BumbleBee’s bill includes a Depreciated Value protection released to $2 per pound, and a Replacement Cost Coverage, released to at least $3.50 per pound. Both are in violation of this tariff item.

# *m. If the shipment will be calculated using hourly rates, include the time the vehicle leaves the carrier’s terminal and the time it returns to the terminal, or when the carrier was released to go to another customer, and the start, stop, and any interruption time for each employee involved in the move.*

BumbleBee’s bill of lading does not include a section to show employees’ breaks or interruption times. BumbleBee’s bill only includes start, stop, and total hour designations.

**Additional Improper Bill of Lading Sections**

In addition to failing to include the required tariff items on the bill of lading, BumbleBee includes sections, statements, or charges that are not allowed by tariff or household goods rules.

The following sections included on BumbleBee’s bill of lading are in violation:

**Expedited Shipments**

Tariff 15-C does not contain allowances for expedited shipments.

**Exclusive Use**

Tariff 15-C does not contain provisions for the exclusive use of a vehicle.

**Damage Settlement**

BumbleBee’s bill of lading states “Damages settled in Bill $\_\_\_\_\_\_\_\_\_\_”.

BumbleBee cannot settle damages by discounting the cost of a move, or by methods other than the claim process outlined in Tariff 15-C, and the household goods rules. A note on the bill indicating damages can be settled as part of the bill of lading process is in violation of the tariff and rules.

**Tips/Other**

BumbleBee’s bill of lading shows a calculation space for “Tip/Other”.

A moving company may not list a gratuity, even though paying is optional, on its bill of lading because a bill of lading is a shipping document that establishes the legal contract terms and conditions for a shipment of household goods. The terms and conditions of the contract relate only to the services of transporting household goods under the rules, rates and charges in Tariff 15-C, and may not contain other payments or charges unrelated to the contract.

**Packing Materials**

BumbleBee’s bill of lading lists packing materials not allowed by Tariff 15-C.

Items 196 and 225 in Tariff 15-C, list the charges for specific types of containers and packing materials. The materials listed in those items are the only charges allowed for containers or other materials used for packing.

BumbleBee shows it charges for a 6.5 cubic foot container on its bill. That size container is not included in Tariff 15-C.

BumbleBee’s bill of lading also indicates it charges for “packing paper” and “tape”. Neither paper nor tape are listed as packing materials in Tariff 15-C. Common packing materials such as paper, tape, or bubblewrap are considered part of the cost of doing business and are included in the tariffed rate structure. Companies cannot charge separately for packing paper or tape.

# Findings

Staff finds BumbleBee’s bill of lading form is not in compliance with Item 95, Tariff 15-C, which requires companies to list specific items on its bills. Staff considers this audit to be the company’s technical assistance to correct its bill of lading. If future violations are found, penalties or other sanctions may be imposed.

### **Recommendation**

BumbleBee Moving must begin using a bill of lading format that is in compliance with Tariff 15-C.

#### BILL OF LADING – COMPLETION

***WAC 480-15-710***

*(1) A bill of lading is a shipping document issued by the household goods carrier, signed by both the customer and the household goods carrier that establishes a legal contract with terms and conditions for a shipment of household goods.

     (2) The carrier must issue a bill of lading for each shipment of household goods it transports and must give the customer a completed copy of the bill of lading used for the customer's shipment.

     (3) The carrier must include the information in a bill of lading as described in the commission's tariff.

     (4) The carrier must keep the bill of lading and all associated documents for three years from the date the move was completed.*

The household goods company must properly complete the bill of lading to ensure that itshows all information necessary to determine proper tariff rates and charges, and list every material or service for which it is billing the customer. BumbleBee Moving does not complete the bill of lading correctly.

# BILL OF LADING – COMPLETION

# Requirements on Bill of lading

BumbleBee does not complete its bills of lading in compliance with commission rules or Tariff 15-C. BumbleBee fails to accurately complete its bills or show all the information necessary on the bill to determine the proper tariff rates and charges for the move.

# Estimate Section – Tariff 15-C, Item 95

A bill of lading must include a separate section that indicates whether the type of estimate the customer received was binding or nonbinding[[9]](#footnote-10). Carriers must issue estimates before the move takes place, so either binding or non-binding must be marked.

BumbleBee has three choices on its bills in violation of the rules. BumbleBee’s bill has options for binding and non-binding estimates, and also allows the customer to choose that he or she did not request an estimate at all. Staff found that of the 37 bills of lading reviewed for May 2008, most customers marked that they did not request a written estimate. BumbleBee failed to provide a written estimate in compliance with the rules for each of those moves.

Staff found only three of the May 2008 customers were actually issued written estimates (Rus, Bischoff, and Riddle). Only Rus and Riddle correctly marked on the bill that they received a non-binding estimate.

Of the remaining bills of lading staff reviewed, the following had incorrect information listed in the Estimate Section of the bills:

|  |  |  |
| --- | --- | --- |
| Date of Move | Type of Estimate Marked on Bill | Results |
| May 2 (Crotts) | Non-binding | No estimate |
| May 27 (Bischoff) | Did not request a written estimate | Written estimate |
| May 30(Gausman) | No estimate marked | No estimate |

**Technical Assistance**

BumbleBee Moving is aware that it must have each customer indicate on the bill of lading the type of estimate he or she received. On February 18, 2004, commission staff Roger Kouchi issued a violation of Tariff 15-B (tariff effective in 2004), Item 95, in consumer complaint 87359 (Meador) for failure to have the customer initial the estimate section on the bill of lading. Jonathan Warner was notified of the violation.

# Names, Phone Numbers, and Addresses

Tariff 15-C, Item 95 requires the company to include on the bill of lading the customer’s name and telephone number; the name and telephone of the consignee[[10]](#footnote-11) (if different); the exact address of the origin of the move; the exact address of the destination of the move; and the exact addresses of any additional pickup points or stops to load or unload.

Bills that do not include complete name, phone number, or address information are in violation of the tariff and commission rules.

**Telephone Numbers**

Of the 37 bills of lading staff reviewed for the month of May 2008, staff found that 15 bills did not include the customer’s telephone number. Forty-one percent of the bills were in violation of Tariff 15-C and commission rules.

# Addresses

Tariff 15-C requires the bill of lading to show the exact address of the origin, the exact address of the destination, and the exact address of any additional stops for loading or unloading.

Staff found that of the 37 bills of lading staff reviewed for May 2008, twenty of the bills had either incomplete addresses for the origin, incomplete addresses for the destination, or both.

Clearly, the point of having the origin and destination addresses on the bill is to ensure that both the company and the customer understand the details of the shipping contract. Especially, when BumbleBee Moving does not furnish customers with the required estimate, the bill of lading is the only contract document that secures the details of the move.

**Technical Assistance**

On February 8, 2005, BumbleBee Moving was issued a violation by commission staff for failure to include the correct destination address on the bill of lading in commission-referred complaint 91512 (LeVeau). BumbleBee Moving was notified of this violation.

##### Valuation Selection

##### Tariff 15-C, Item 95, states that the bill of lading must include a section where the customer must select, by signing his or her initials, the type of loss and damage protection (valuation) for the goods being shipped. The customer must sign or initial that they have chosen either Basic Value Protection, Replacement Cost Coverage with Deductible, or Replacement Cost Coverage with No Deductible.

##### Staff found that of the 37 bills of lading staff reviewed for May 2008, eight bills of lading did not indicate a customer’s choice of valuation coverage (Rus, Zeller, Jones, Sturgis, Marie, Gausmon, Koh, and Karr).

##### As BumbleBee does not furnish a written estimate for every move as required by rule, and does not require the customer to indicate his or her choice of damage protection on the bill of lading, the customer may not be aware of the valuation choices available in the event of loss or damage to the goods being shipped.

**Signature of Shipper and Company Representative**

WAC 480-15-710, states a bill of lading is a shipping document issued by the household goods carrier, signed by both the customer and the household goods carrier, that establishes a legal contract with terms and conditions for the shipment of household goods. Tariff 15-C, Item 95, also requires both the company and the customer sign and date the bill of lading.

Staff found that of the 37 bills of lading staff reviewed for May 2008, only seven bills included both the customer and company representative signatures and dates. All of the other 30 bills failed to have signatures or dates as required by Tariff 15-C and commission rules.

# Incomplete Bill or Calculation of Charges

On May 23, 2008, BumbleBee Moving issued a bill of lading showing a move for Christine Marie from Lynnwood to Bothell-Mill Creek. The bill indicates the move took 2 ½ hours, however, the bill does not show any rates or charges for the move. The bill states “Paid in Cash”. Bills of lading must show all charges, and the rates on which the charges are based.

On May 23, 2008, BumbleBee Moving issued a bill of lading showing a move for Steve Sturgis. The only charge on the bill of lading was the note “178. Flat Rate”.

Bills of lading must show all charges, and the rates on which the charges are based.

On May 13, 2008, BumbleBee Moving issued a bill of lading showing a move for Cheryl Melton. Even though the bill shows employees worked either 8 or 8.75 hours, the bill does not show any rate calculation. The only total on the bill is a note that appears to show the customer paid $1,748.75.

On May 5, 2008, BumbleBee Moving issued a bill of lading showing a move for Corrina Kelly. The bill shows a $50 charge for “trash, box removal”. Carriers may not charge for other than tariffed rates for charges associated with the movement of household goods on the bill of lading. As the bill is a contract for household goods only, the bill may not include charges for other services not covered in the contract terms on the back of the contract.

# Improper Bill Calculations

On a number of bills BumbleBee’s total amount paid by the customer does not agree with the total charges shown on the bill, or the individual charges on the bill do not add up to the total amount paid by the customer. There does not appear to be an explanation of why the totals differ, or if there is a discount or credit applied.

The following examples show improper bill totals:

|  |  |  |
| --- | --- | --- |
| May 5 | Summerwood | Bill total $818.85, correct total $811.85 |
| May 30  | Riddle | Bill total $1,658.75, customer paid $1,558.75 |
| May 30 | Edwards | Bill total $742.50. Customer paid $687.50 |

# Findings

Staff finds BumbleBee does not complete its bills of lading in compliance with the commission Tariff 15-C, Item 95, or commission rules. Staff considers this audit to be the company’s technical assistance to correct the completion of its bill of lading. If future violations are found, penalties or other sanctions may be imposed.

### **Recommendation**

BumbleBee Moving must complete its bills of lading in compliance with Tariff 15-C, Item 95, and commission rules.

# RATES and CHARGES

* Fuel Surcharge
* Start Times, Stop Times, and Interruptions
* Crates, Containers and Packing Materials
* Mileage Rates – Long Distance Moves
* Improper Charges

# RATES AND CHARGES

There are a number of different rates and charges that make up the total bill for a household goods move. Bills of lading must be complete and list all of the information necessary to determine the proper rates and charges for the move. If the information is incomplete or inaccurate, the company cannot properly or legally bill for the cost of the move.

WAC 480-15-490 states defines a tariff as a publication containing the rates and charges that household goods carriers must assess on shipments of household goods, including rules that govern how rates and charges are assessed.

All household goods carriers are required to follow the terms, conditions, rates and all other requirements imposed by the commission-published tariff.

The following items are specific rates or charges where staff found BumbleBee failed to properly or legally bill for services.

**FUEL SURCHARGE**

The commission’s previous household goods Tariff 15-B included a Fuel Surcharge Supplement that was in effect from February 1, 2000, through August 17, 2007. The commission-approved tariff supplement stated that rates and charges could be increased up to a specific percentage due to the high cost and quickly fluctuating prices for fuel.

On August 17, 2007, in lieu of fuel surcharges, the commission granted a 25 percent increase in the rates and charges provided for in Tariff 15-B. At the same time the rates and charges were increased, the Fuel Surcharge Supplement was cancelled. To make up for the cost of fuel, the carriers could charge an increased per hour or mileage rate.

All permitted household goods carriers were notified by the commission of the tariff rate increase and surcharge cancellation.

On February 1, 2008, a new Tariff 15-C was published and distributed to all permitted household goods companies. In Tariff 15-C, the 25 percent increase previously granted was calculated into the new rates and charges and published as new higher rate bands for all services.

No Fuel Surcharge Supplement has been in effect or allowed since August 17, 2007.

**Audit**

Staff found that BumbleBee Moving continued to charge a fuel surcharge after August 2007 in violation of commission tariff and rules.

For example, the bill of lading dated May 22, 2008, for customer Donny Jones, was a long distance mileage-rated move from Snohomish, Washington to Chelan, Washington. BumbleBee Moving charged Mr. Jones a seven percent fuel surcharge, for a total of $91.08, in violation of commission rules and Tariff 15-C.

The bill of lading dated May 30, 2008, for customer Linda Riddle, shows a three percent fuel surcharge (actual amount is illegible), in violation of commission rules and Tariff 15-C.

BumbleBee also stated on an estimate (Rus) dated April 15, 2008, that “State regulated fuel surcharge waived”. BumbleBee is deceptively stating that it is giving the customer a waiver of a non-existent tariff charge.

# Findings

Staff finds BumbleBee improperly charging a fuel surcharge in violation of Tariff

15-C. Staff considers this audit to be the company’s technical assistance to correct its bill of lading. If future violations are found, penalties or other sanctions may be imposed.

### **Recommendation**

BumbleBee Moving must cease charging a fuel surcharge.

### **Start Times, Stop Times and Interruptions**

### *Tariff 15-C, Item 95(1)(m) requires household goods companies record on the bill of lading the number of hours the company took to move a customer’s goods. The time begins when the company leaves its terminal (or previous move location) until the time it returns to its terminal (or is dispatched to another move), excluding all time when there is a break in the service (an interruption such as a meal break). The bill of lading must show the start, stop, and interruption times for each employee who worked on the move.*

The purpose of this rule is to ensure the customer is accurately billed for the correct number of hours the company worked.

Staff finds BumbleBee’s bills of lading do not include start times, stop times, and interruptions for the individual employees involved in a move.

**Audit**

Staff reviewed BumbleBee’s bills of lading for May 2008. The results of that review found:

* Bill of lading for Crotts, dated May 2, 2008, shows BumbleBee employees worked a total of 11 hours without recording any break or meal times.
* Bill of lading for Summerwood Apartments, dated May 5, 2008, shows BumbleBee employees worked 5.25 hours without recording any break or meal times.
* Bill of lading for Downing, dated May 8, 2008, shows BumbleBee employees worked 10 hours without recording any break or meal times.

The following table shows additional bills of lading where BumbleBee billed its customers for more than five hours of labor without indicating a break or meal interruption:

|  |  |  |  |
| --- | --- | --- | --- |
| Customer | Date | Hours Worked | Interruption Time Recorded |
| Paulsen | May 8, 2008 | 5.75 | -0- |
| Reinfried | May 8, 2008 | 7.25 | -0- |
| Wilson | May 9, 2008 | 6.5 | -0- |
| St. Mary | May 9, 2008 | 5.5 | -0- |
| Melton | May 13, 2008 | 8 and 8.75 | -0- |
| Stoddard | May 13, 2008 | 7 | -0- |
| Mygrant | May 15, 2008 | 5.25 | -0- |
| Eckstein | May 16, 2008 | 5.5 | -0- |
| Bischoff | May 27, 2008 | 10.25 | -0- |
| Johnson | May 29, 2008 | 6.25 | -0- |
| Gausmon | May 30, 2008 | 7 | -0- |
| Edwards | May 30, 2008 | 6.75 | -0- |
| Koh | May 31, 2008 | 5.75 | -0- |
| Ross | May 31, 2008 | 8.25 | -0- |

Staff finds that BumbleBee Moving was aware of the requirement that time for breaks or meals must be shown on the bill and deducted from the customer’s bill, as breaks were recorded on the May 30, 2008, bill of lading for customer Riddle.

**Findings**

Staff found that even though BumbleBee employees worked in excess of five hours straight, there were no meal periods or breaks recorded as interruption time on the bills of lading reviewed. Washington State law requires an employer give breaks to employees for any time worked in excess of five hours[[11]](#footnote-12). As staff assumes that BumbleBee Moving employees took meal breaks as required by law, the company did not record the interruption time. When a company does not record interruption time, it increases the cost of the move and the customer is improperly billed.

Staff finds BumbleBee’s does not accurately record its employees start, stop, and interruption times on its bills of lading. Staff considers this audit to be the company’s technical assistance to correct its bill of lading. If future violations are found, penalties or other sanctions may be imposed.

### **Recommendation**

BumbleBee Moving must accurately record its employees start, stop, and interruption times on its bills of lading.

**Crates, Containers and Packing Materials**

A company must charge tariff rates for any crates, containers, cartons, or materials used when packing a customer’s goods. Item 225 of Tariff 15-C, lists the prices for materials and containers when used during a local hourly-rated move. Item 196, Container Prices, is the item used to bill for packing materials when the goods are being moved under long distance mileage rates. If the tariff does not include a rate or charge for a container or materials, the carrier may not charge the customer.

Staff reviewed BumbleBee’s bills of lading for compliance with the crate, container, and materials charges. Staff found BumbleBee billed for 25 pounds of “packing paper” for the Summerwood Apartment move on May 5, 2008. Packing paper is not an authorized charge in Tariff 15-C. Paper, tape, and other incidental items used in packing a customer’s goods are part of the tariff rate structure and may not be charged for as a separate charge.

Staff also noted that both packing paper and “tape” are preprinted on BumbleBee’s bill of lading and estimate form. Neither paper nor tape may be charged for under Tariff 15-C.

The May 1, 2008, Rus bill of lading shows a line item charge of “mat 27”. The item appears to be a materials charge of $27. BumbleBee may not charge for materials on the bill of lading without properly identifying the materials used, the quantity, the rate per item, and the total charge.

# Findings

Staff finds BumbleBee does not accurately record or calculate rates or charges for crates, containers, or packing materials on its bills of lading. Staff considers this audit to be the company’s technical assistance to correct its bill of lading. If future violations are found, penalties or other sanctions may be imposed.

### **Recommendation**

BumbleBee Moving must accurately record its crate, container, or packing material charges on its bills of lading.

 **MILEAGE RATES – LONG DISTANCE MOVES**

Tariff 15-C describes the two types of household goods moves. Household goods that are shipped 55 miles or less are charged for at hourly rates for the time it takes to transport the goods. If the household goods are moved more than 55 miles (long distance moves)[[12]](#footnote-13), the rates and charges are based on the miles of the move, the weight of the goods, and any accessorial charges that may apply. Section 2 of Tariff 15-C applies to long distance mileage-rated shipments. The tariff items in Section 2 also include other mileage related charges for such services as transporting bulky articles, making additional stops to load or unload, or for reweighing the goods, in addition to the basic weight/mileage charges.

# Technical Assistance

On July 31, 2006, in commission-referred complaint 95415, commission staff Gail Griffin-Wallace issued BumbleBee Moving one violation of Item 110, Tariff 15-B, for charging hourly rates for a mileage/distance-rated move (Snohomish to Port Angeles). BumbleBee was notified of the violation. BumbleBee is aware that it must charge mileage-rates for a long distance move.

**Audit**

Staff found that of the 37 bills of lading from May 2008, only one move was a long distance (mileage-rated) move. Staff found BumbleBee improperly billed customer Jones, on May 22, 2008, for the long distance move between Snohomish and Chelan, Washington.

The Jones bill of lading and associated documents are included in Appendix G.

# Mileage – Item 105

All mileage-rated move charges must be calculated using the weight of the shipment times the number of miles between the origin and the destination of the shipment. Item 105 of Tariff 15-C states that carriers must use a mileage guide that calculates mileage using the most current version of the Household Goods Carriers Bureau Mileage Guide or other mileage calculation software, such as Rand McNally’s MileMaker, that results in the same mileage calculation as the Household Goods Carrier Bureau Mileage Guide. The mileage used to determine the proper rate must be recorded on the bill of lading.

For the Jones move, BumbleBee Moving used MapQuest to calculate the mileage. BumbleBee calculated the mileage between Snohomish and Chelan as 152 miles. The correct household goods mileage calculation according to the Rand McNally’s MileMaker is 147 miles. The minimum and maximum rate allowances for mileage charges changes at 150 miles. BumbleBee should have used the rate band for “Over 140-150” miles, instead of the “Over 150-160 miles”. BumbleBee billed at an improper rate.

**Item 115 – Weight of Shipment**

Item 115 of Tariff 15-C requires that tariff rates and charges for mileage moves be computed on the net weight plus all additives of the shipment. Carriers must calculate all tare and loaded weights by having the motor vehicle weighed by a certified weighmaster or on a certified scale.

BumbleBee Moving charged customer Jones to move 4,000 pounds. When BumbleBee was asked to furnish a copy of the weight slip for the shipment, Mr. Warner responded “we did not do a weight ticket for this move, only moved as a 4000# minimum. Donny Jones is a close friend of Jon Warner.” The customer was not billed for the actual weight of the shipment.

Staff finds BumbleBee Moving in violation of Tariff 15-C, for improperly charging this customer for a long distance move without having weighed the goods to be shipped, and improperly calculating the correct distance for the mileage rates.

In consumer complaint 103604 (Hopkins), BumbleBee again used Map Qwest to determine the mileage for a household goods move (move took place in March 2007). In this complaint, even though by using an improper mileage calculator, BumbleBee found the mileage 37.58 miles, BumbleBee charged the customer hourly rates (moves longer than 35 miles should have been calculated at mileage rates). The correct mileage for this move using a Household Goods Carrier Bureau Mileage Guide is actually 35 miles (hourly rates).

# Findings

Staff finds BumbleBee does not accurately calculate long distance mileage-rated move charges on its bills of lading. If future violations are found, penalties or other sanctions may be imposed.

### **Recommendation**

BumbleBee Moving must accurately calculate mileage-rated move charges on its bills of lading.

# Improper Charges

##### Tariff 15-C, Item 95(n), states that the amount and type of every charge assessed must be listed as a separate line item on the bill of lading. Each charge must be fully described in sufficient detail to determine if proper rates were charged according to the tariff.

Four of BumbleBee’s bills of lading for the month of May 2008, include charges that were not explained or defined on the bill. The following bills included charges where BumbleBee failed to disclose the tariff citation, or basis for the charge:

|  |  |  |
| --- | --- | --- |
| Date | Customer | Charge Shown on Bill of Lading |
| May 1 | Rus | John w $75 |
| May 2 | Crotts | -25 |
| May 5 | Summerwood | 47.35 |
| May 30 | Riddle | Rental 100.00 |

# Findings

Staff finds BumbleBee’s adds charges to its bill of lading without sufficient definition or explanation to determine if the rates or charges are valid in violation of Tariff 15-C, Item 95. Staff considers this audit to be the company’s technical assistance to correct its bills of lading. If future violations are found, penalties or other sanctions may be imposed.

### **Recommendation**

BumbleBee Moving must identify or describe every rate or charge on its bills of lading completely.

**CLAIMS AND COMPLAINTS – CONSUMER**

CLAIMS AND COMPLAINTS - CONSUMER

Household goods companies must respond to consumer damage claims and two types of complaints, those filed by consumers directly with the company and those complaints that are filed with the commission’s Consumer Protection Section and referred to the companies for response. Commission rules have very specific requirements for how consumer complaints or claims must be processed and how companies must respond to commission-referred complaints.

For purposes of this audit, the consumer complaint rules will be addressed separately from the commission-referred complaint rules.

WAC 480-15-800 through WAC 480-15-830 specify the rules companies must follow when processing consumer complaints that are sent directly to the company:

***WAC 480-15-800****requires a household goods company provide all the information and forms necessary to file a claim or complaint with the company if the customer is not satisfied with the carrier’s service. The company must allow the customer up to nine months to file a claim.*

***WAC 480-15-810****requires the company, upon receipt of a complaint or claim, to notify the customer in writing within ten days that the complaint or claim has been received. The company must investigate the complaints or claims quickly, advise the shipper of the resolution of the complaint or claim in writing, and pay, refuse the claim, or make a compromise offer within ninety days of the date of the claim.* *If the carrier cannot resolve a claim within ninety days, it must for each 30-day period, inform the customer in writing of the reason it has failed to resolve the claim, or clearly state its final offer or denial and close the claim. The company must inform the customer of the availability of the commission for further review by providing the phone number and mailing address.*

***WAC 480-15-830*** *requires**companies keep claim files for three years, and maintain specific information within those claim or complaint files.*

**Data Request**

As part of the commission’s request for data, BumbleBee Moving was asked to provide the following claim documentation:

*A copy of the company’s complaint and claims register, listing all complaints and claims received from January 1, 2008 through May 31, 2008, including all documents related to each complaint and claim.*

In response BumbleBee sent its Damage Claim Register listing four customer names (Russell, Hopkins, Parkinson, and Coulter), with each corresponding claim number #2008-1 through #2008-4).

In addition to the claims register BumbleBee sent two claim forms for customers Parkinson and Coulter. Attached to the Parkinson claim form was a receipt from Olson Lumber for 20 White Pine 1x4’s. No other documents were attached to the Parkinson claim.

Attached to the Coulter Claim form was the December 2007 bill of lading for the Coulter move. No other documents were attached to the Coulter claim.

Copies of BumbleBee’s claim register and claim documents are included in Appendix H.

**Audit**

Staff found BumbleBee’s claim files incomplete and in violation of the following claim and complaint rules:

* BumbleBee did not furnish evidence that it notified each customer, in writing, within ten business days, that it had received the claim or complaint, or that it had notified the customers of the availability of the commission for further review.
* BumbleBee did not furnish evidence that it paid the claim, refused the claim or made a compromise offer within ninety days of the claim being filed.
* BumbleBee did not furnish evidence that it advised the customer of a resolution to the claim.
* As the claim file contained no resolution documents, staff found that BumbleBee did not furnish evidence that for each thirty-day period that the claim remained without settlement, BumbleBee advised the customer of the status of the claim.
* BumbleBee did not furnish evidence that it maintains the required written correspondence in its claim files.
* BumbleBee did not furnish evidence that it maintains the details of any action the carrier took in response to the claim or complaint.
* BumbleBee did not furnish evidence of the date the claim or complaint was resolved and a description of the final resolution.

On November 19, 2008, in consumer complaint 102178, commission staff issued one violation of WAC 480-15-810(1), for failure to respond in writing to a customer claim within 10 days as required by rule. The customer filed her claim on March 14, 2008. BumbleBee claim acknowledgment letter was dated April 7, 2008, but was not received by the customer until April 25, 2008.

On August 19, 2008, in consumer complaint 103604 commission staff issued one violation of WAC 480-15-810(1), for failure to respond in writing to a customer’s claim within the 10 days as required by rule. The customer submitted her damage claim to BumbleBee on June 9, 2008. The company did not respond until July 2, 2008.

**Technical Assistance**

BumbleBee Moving was giving technical assistance on February 18, 2004, that it must notify in writing within ten working days that the company has received the claim or complaint. Commission staff Roger Kouchi issued a violation of WAC 480-15-810(1) on February 25, 2004, in consumer complaint 87359 (Meador) for failure to respond, in writing within ten days, to a customer’s claim. Jonathan Warner was notified of the violation.

# Findings

The commission’s role in consumer complaints or damage claims is not to determine whether a claim is legitimate or justified, but only to ensure companies follow the complaint or claim process according to the commission’s rules. BumbleBee did not provide evidence that it makes a good faith effort to resolve the complaint or claim, or maintain files to show it complies with the complaint and claim rules.

BumbleBee Moving is not in compliance with WAC 480-15-800, WAC 480-15-810, and WAC 480-15-830. Staff considers this audit to be the company’s continuing technical assistance to process consumer complaints or claims in compliance with commission rules. If future violations are found, penalties or other sanctions may be imposed.

### **Recommendation**

BumbleBee Moving must process consumer complaints in compliance with WAC 480-15-800, WAC 480-15-810, and WAC 480-15-830.

### **COMMISSION-REFERRED COMPLAINTS**

###  **COMMISSION-REFERRED COMPLAINTS**

### ***WAC 480-15-890****states that if the commission refers a customer complaint to a household goods company, it must:*

###  *(1) Provide its initial response to commission staff within five business days.[[13]](#footnote-14) The carrier’s response must include the results of its investigation into the informal complaint and any document related to the move requested by staff. The carrier may request and commission staff may allow, if warranted, an extension to the initial response due date.*

### *(2) Respond to commission staff inquiries requesting additional information or documentation relevant to the informal complaint within five business days.*

*(3) Keep commission staff currently informed of any progress made in resolving a claim for loss or damages not resolved within the first ninety-day period of the claim, by informing staff in writing, for each thirty-day period thereafter, of the reason for failure to resolve the claim.*

When a consumer files a complaint with the commission about a household goods moving company, Consumer Protection Section staff forwards a summary of the complaint to the company for response. The company is obligated, by rule, to respond to staff within five business days and continue to work with commission staff to resolve the consumer’s issues.

BumbleBee is not in compliance with the rules for commission-referred complaints. BumbleBee, in spite of ongoing technical assistance and numerous violations, consistently fails to respond to staff within the required five days and does not answer staff’s questions completely or thoroughly.

**Audit**

As part of this audit, staff reviewed commission-referred complaints filed against BumbleBee Moving since 2004.[[14]](#footnote-15)

The following is a summary of the seven complaints filed against BumbleBee since January 2004, showing Bumblebee’s lack of response to commission-referred complaints.

|  |  |
| --- | --- |
| Complaint #CustomerDate Filed | Response Violations |
| 87359MeadorJanuary 2004 | No violations of WAC 480-15-890. |

|  |  |
| --- | --- |
| 91512LeVeauOctober 2004 | BumbleBee Moving was issued $500 penalty (5 violations) in Docket TV-051629, on November 2, 2005, for failure to respond to commission-referred complaint.[[15]](#footnote-16)Five violations. |
| 95415WeaverNovember 2005 | On December 6, 2005, staff issued one violation of WAC 480-15-890, for failure to respond to commission-referred complaint.On June 5, 2006, staff issued one violation of WAC 480-15-890, for failure to respond to commission-referred complaint.Two violations. |
| 96210AndersonJanuary 2006 | On March 20, 2006, staff issued one violation of WAC 480-15-890, for failure to respond to commission-referred complaint.One violation. |
| 97031SandovalApril 2006 | On August 1, 2006, staff issued 34 violations of WAC 480-15-890, for failure to respond to commission-referred complaint.34 violations |
| 102178RussellDecember 2007 | On April 2, 2008, the Commission sent a compliance letter to BumbleBee regarding its non-response to commission-referred complaints (see below).On November 19, 2008, staff issued 19 violations of WAC 480-15-890, for failure to respond to commission-referred complaint (response due December 18, 2007).On November 19, 2008, staff issued 6 violations of WAC 480-15-890, for failure to respond to commission-referred complaint (response due November 11, 2008).On November 19, 2008, staff issued 187 violations of WAC 480-15-890, for failure to respond to commission-referred complaint (response due February 28, 2008, not answered). 212 violations |
| 103604HopkinsMay 2008 | On July 17, 2008, staff issued 11 violations of WAC 480-15-890, for failure to respond to commission-referred complaint (response due July 3, company responded July 21, 2008.On August 15, staff issued 8 violations of WAC 480-15-890, for failure to respond to commission-referred complaint (response due August 5, company responded August 15, 2008. On November 14, 2008, staff issued 42 violations of WAC 480-15-890, for failure to respond to commission-referred complaint (response due September 18, company failed to respond).On November 21, 2008, staff issued 2 violations of WAC 480-15-890, for failure to respond to commission-referred complaint (response due May 15, 2008, company responded May 19, 2008.On November 21, 2008, staff issued 5 violations of WAC 480-15-890, for failure to respond to commission-referred complaint (response due May 27, company responded June 3, 2008).68 violations |

On April 2, 2008, the commission sent Jonathan Warner a compliance letter informing him that BumbleBee Moving had failed to comply with the commission rules on processing consumer complaints, and responding to commission referred complaints.

The commission’s letter to Mr. Warner stated, in part:

*Dear Mr. Warner:*

*The Utilities and Transportation Commission (Commission) has received a consumer complaint against Bumble Bee Moving North, Inc. (Bumble Bee). In accordance with Washington Administrative Code (WAC) 480-15-890, when commission staff refers an informal complaint to a household goods moving company, the company must:*

 *(1) Respond with complete investigation results within ten (five days effective January 27, 2008) business days;*

 *(2) Respond to commission staff inquiries regarding the complaint within five days; and*

 *(3) Keep the commission currently informed of any progress made in resolving the complaint.*

*On December 4, 2007, Sandra White of the commission’s Consumer Affairs staff contacted you by e-mail regarding a damage claim complaint from Marian Russell and asked that you respond with all documents related to the move and the customer’s claim. Since you failed to respond within the required timeframe, on January 4, 2008, Ms. White notified you that she had issued 11 violations for failure to respond to a commission-referred complaint. You responded by email on January 8, 2008, that you would fax the forms the same day, which you did.*

*On February 8, February 14, February 21, and February 27, 2008, Ms. White asked that you respond to her requests for additional information regarding the documents previously sent.*

*To date, you have not responded to that request for information. Bumble Bee must immediately contact Ms. White regarding this customer’s damage claim and related forms.*

*As you are aware, this is not the first time the commission has taken a formal action against your company for being non-responsive to Consumer Affairs staff. In November 2005, the commission issued a penalty assessment against you in the amount of $500 for failure to respond to a commission-referred complaint.*

*As you have been given previous technical assistance, and know and understand the commission rules for commission-referred complaints, staff may recommend a formal investigation into your company’s business practices, including, but not limited to, penalties of up to $1,000 per day for each violation of commission rules.*

*Please respond by April 11, 2008, to Ms. White to discuss the consumer complaint filed by Marian Russell. In addition, please describe in writing by April 11, 2008, the steps Bumble Bee will take to ensure it responds to future commission complaints in accordance with WAC 480-15-890. That response may be directed to Carlene Hughes, Compliance Program Coordinator, Business Practices Investigations Section.*

Mr. Warner responded on April 11, 2008:

*Ms. Hughes,*

*This is our response to your letter and emails for information pertaining to the Marian Russell damage/loss claims. To date, we have responded to all customer and WUTC requests for action, information, and guidelines. The most current update for Ms. Russells claim is as follows:*

*We received a 14 page document on March 13th, 2008 containing her completed damage claim form, notes from her as to her claim, and notes/prices from a 3rd party antique restoration company. Per WUTC guidelines, we have acknowledged her claim via phone calls to all known phone numbers we have on file, as well as a letter to her PO Box address.*

*Per guidelines, we will offer a settlement to her claim within 120 days. We are prepared to offer her one of 2 options:*

*1.Monetary settlement after a 2nd survey has been performed by qualified company personnel. This settlement will be based on her selected valuation coverage of 60 cents/lb.*

*2.Or to fix damaged items with our professional 3rd party furniture restoration company.*

*This offer will be to her well within the 120 days limit, to ensure she is given ample time to make a reasonable decision.*

*Our action plan to avoid further WUTC violations, per your request are as following:*

*1.All damage claim requests will be responded to within the statutory time frames. Further, we will not extend our responses, sending of forms, etc. to the end of the time frame, but will in fact, more quickly respond and/or resolve any/all damage/loss claim issues.*

*2.In an attempt to reduce the possibility of any claim, we will train staff to handle issues on the job site, offering settlement on the spot.*

*3.If claim occurs, I or qualified personnel will quickly set up appointment to survey damages, present claim form, and work with customer to more efficiently fill out and process claim.*

*4.Once claim form has been received in our office, we will respond via phone call, email, and/or letter that we acknowledge their damage/loss claim well within the 30 days allotted.*

*5.All claims will reach final settlement well within the 120 days allotted from time of receipt of claim form. Claims will be settled with monetary offer, offer to repair damages, offer to replace item, or combination of all. If we deny all parts of claim, then said denial will be given to customer also within the 120 days.*

*Any further questions or suggestions may be sent to Jonathan Warner, President, Bumble Bee Moving.*

*Jonathan Warner*

# Findings

BumbleBee Moving failed to respond to staff-referred commission complaints or requests for additional information a total of three hundred and twenty-two times since 2004.

BumbleBee Moving shows a total disregard for compliance with WAC 480-15-890. BumbleBee has been given sufficient technical assistance to understand the requirements of responding to commission-referred complaints, and chooses not to comply.

Staff finds that in spite of technical assistance, compliance letters, and penalties, BumbleBee Moving fails to respond to commission staff as required by rule. Staff recommends a penalty be issued against BumbleBee for non-compliance with WAC 480-15-890 for violations committed during the last two years.[[16]](#footnote-17)

## Recommendation

## Staff finds two hundred and eighty violations of WAC 480-15-890, for failure to respond to a commission-referred complaints, subject to a penalty of $28,000.

# ADVERTISING

**ADVERTISING**

**WAC 480-15-610**

*Advertising (1) Carriers must include the commission-issued permit number, name or trade name as recorded at the commission, business address and business telephone number in any advertising for household goods moving services. Advertising includes, but is not limited to:

     (a) Advertisements in telephone books, newspapers, correspondence, cards, or any other written document.

     (b) Signs, posters or similar displays.

     (c) Web sites or other on-line advertising.

     (2) Advertisements may not be misleading, false or deceptive.

     (3) Carriers may advertise services provided as an agent of, or connecting carrier to, another household goods carrier if they include the name and permit number of the other household goods carrier in their advertising.

     (4) Carriers may not advertise services or rates and charges that conflict with those in the tariff.*

**Audit**

Staff found that BumbleBee Moving’s website advertising states:

“Bumble Bee Moving North, Inc. has proudly served the state of Washington since 1995.”

Staff found that BumbleBee’s sales brochure states:

“Bumble Bee Moving has proudly service the state of Washington since 1997.”

### A copy of BumbleBee’s website advertising and brochure are included as Appendix I.

Commission records indicate that Jonathan Warner, doing business as BumbleBee Moving North, was issued a temporary provisional household goods permit on May 11, 2000. Permanent authority, under permit number HG-11872, was issued to Jonathan Warner on August 30, 2002. On June 2, 2003, Jonathan R. Warner, d/b/a Bumblebee Moving North, and BumbleBee Moving North, Inc., filed joint application P-79134 for transfer of permanent household goods carrier authority. The permit was transferred from a sole proprietorship to the corporation on July 10, 2003. BumbleBee Moving became a legally permitted moving company in the state of Washington no earlier than 2000.

### **Findings**

### Staff finds that moving company advertisements should accurately reflect a company’s history and experience in the industry. BumbleBee’s advertising does not accurately state the correct date BumbleBee Moving began legally operating as a household goods carrier in the state of Washington. Staff finds BumbleBee’s advertising is misleading, false, and deceptive and in violations of WAC 480-15-610.

Staff considers this audit to be the company’s continuing technical assistance to provide advertising in compliance with commission rules. If future violations are found, penalties or other sanctions may be imposed.

### **Recommendation**

### Staff recommends BumbleBee change its advertisements to show the correct date it became a legal household goods carrier in the state of Washington.

## BUSINESS PRACTICES

* Hourly Minimum Charge
* Website Information

## BUSINESS PRACTICES

BumbleBee Moving, as shown in this report, demonstrates an ongoing disregard for compliance with state statutes and commission tariffs and rules. In addition to the violations of laws and rules, staff found that BumbleBee utilizes a number of business practices that appear to be deceptive and misleading to consumers, however, not in direct violation of commission laws or rules.

### **HOURLY MINIMUM CHARGE**

Tariff 15-C, Item 230, Hourly Rates, states:

”The minimum charge for a shipment moving under hourly rates is one hour.”

Staff found BumbleBee stated on the estimate (scratch sheet) for the Zeller move (scheduled for May 6, 2008) there would be a 2-hour minimum charge.

Staff found BumbleBee wrote on the Steiner bill of lading “2 Hr Min”. Staff has no way of knowing if the Steiner move took two hours, or less and was actually charged a two-hour minimum charge.

Staff also found that BumbleBee’s website states:

“Occasionally, a customer may only need to move a few items from one location to another. Depending on locations and/or access we will general reduce the rate or the minimum time charge to a 1.5-hour minimum.”

The website also states:

“In most cases, we have a 2-hour minimum job requirement.”

**Findings**

BumbleBee estimates or advertises that it charges an hourly minimum charge higher than authorized by Tariff 15-C, Item 230.

# Recommendation

Staff recommends BumbleBee cease its practice of estimating or advertising a minimum charge other than the Tariff 15-C minimum allowed.

**WEBSITE INFORMATION**

Staff found that certain information on BumbleBee’s website contained commission tariff or rule errors. Household goods carriers must ensure that their advertising and website information states only accurate rates, charges, and tariff information.

BumbleBee’s site states under its “Compare Costs” bullet point that “moving costs are calculated by one of two methods:

* For moves over 35 miles: Rates are based on the weight of your goods and the distance hauled, or
* For moves 35 miles or less, rates are based on the number of workers used...

Tariff 15-C, effective February 1, 2008, changed the mileage for local moves to 55 miles or less. BumbleBee is inaccurately stating when a move is charged for a hourly rates, or at long distance move mileage rates.

Rates are based on the number of workers used; the amount of time i goods; and the mover's hourly rate for service.

**Findings**

BumbleBee’s website does not include accurate information regarding types of household goods moves and the associated costs.

# Recommendation

Staff recommends BumbleBee update its website to accurately reflect Tariff 15-C rates and charges.

**SUMMARY OF RECOMMENDATIONS**

**Technical Assistance Recommendations**

BumbleBee Moving must comply with all commission laws, rules, and tariff requirements. The following is a summary of recommendations to ensure BumbleBee Moving’s compliance:

1. BumbleBee Moving must conduct operations under the exact name shown on its household goods permit.
2. BumbleBee Moving must file annual reports and pay regulatory fees by May 1st of each year based on the prior year’s operations.
3. BumbleBee Moving must list its commission-issued permit number in any advertising for household goods moving services.
4. BumbleBee Moving must visually inspect the goods to be moved, and provide the customer with a written estimate of the cost of the move prior to moving a shipment of household goods.
5. BumbleBee Moving must use an estimate form that includes all of the tariff-required elements.
6. BumbleBee Moving must provide a supplemental estimate if the circumstances surrounding the move change in any way to cause the rates or charges for the move to increase.
7. BumbleBee Moving must release a shipment of household goods to a customer upon payment of no more than 110 percent of the estimate.
8. BumbleBee Moving must use a bill of lading form that includes all of the required elements listed in Item 95.
9. BumbleBee Moving must complete a bill of lading so that the bill includes all of the required information listed in Item 95.
10. BumbleBee Moving must follow the terms, conditions, rates, and all other requirements imposed by the commission-published tariff.
11. BumbleBee Moving must apply mileage rates on long distance shipments moving more than 55 miles.
12. BumbleBee Moving must provide customers will all information necessary to file a complaint or claim.
13. BumbleBee Moving must process a customer’s complaint or claim in accordance with commission rule.
14. BumbleBee Moving must maintain specific information about all claims and complaints for three years.
15. BumbleBee Moving must respond to commission-referred complaints within the timeframes required by rule.
16. BumbleBee Moving must ensure that its advertising that is not misleading, false or deceptive.

**General Business Practices Recommendations**

In addition to the rule and statute violations, Staff finds the following recommendations for changes to BumbleBee’s general business practices:

* Staff recommends BumbleBee cease its practice of estimating or advertising a minimum charge other than the Tariff 15-C minimum allowed.
* Staff recommends BumbleBee update its website to accurately reflect Tariff 15-C rates and charges.

**Penalty Recommendation**

While this audit found BumbleBee Moving in violation of numerous commission laws, rules, and tariff items, staff is not recommending sanctions against the company at this time. After the conclusion of the investigation and before penalty action could be taken in this docket, BumbleBee Moving’s permit authority was cancelled due to the company’s failure to file its annual report and pay regulatory fees.

Therefore, this investigation will be closed with the recommendation that no action be taken at this time.

1. Annual Reports are due May 1 of each reporting year. As of December 10, 2008, no annual report has been received from BumbleBee for the reporting year of 2007. [↑](#footnote-ref-2)
2. Complaint filed in December 2007, violations for the noted in the complaint in 2008. [↑](#footnote-ref-3)
3. BumbleBee is spelled as one word on the company’s household goods permit. [↑](#footnote-ref-4)
4. Annual Reports are due May 1 of each reporting year. As of December 10, 2008, no annual report had been received from BumbleBee for the reporting year 2007. [↑](#footnote-ref-5)
5. WAC rule in effect at the time these violations were issued. [↑](#footnote-ref-6)
6. Fuel Surcharge supplemental charges were eliminated by Commission Order on August 27, 2007. Fuel surcharges were not allowed after that date. [↑](#footnote-ref-7)
7. Truck rental fees are not allowed in Tariff 15-C. The carrier cost of supplying the vehicle is included in the hourly or mileage rate structure. [↑](#footnote-ref-8)
8. The “lump sum value” statement was added to Tariff 15-C, effective October 30, 2008. [↑](#footnote-ref-9)
9. In the Bill of Lading Format section of this report it is noted that BumbleBee’s bill also includes an option that no written estimate was requested. Having an option for no written estimate is in violation of the tariff and commission rule. [↑](#footnote-ref-10)
10. A “consignee” is the receiver of the shipment of goods at the destination and may be either the customer or the customer’s designated contact. [↑](#footnote-ref-11)
11. Department of Labor and Industries WAC 296-126-092   Meal periods -- Rest periods.**“**(1) Employees shall be allowed a meal period of at least 30 minutes which commences no less than two hours nor more than five hours from the beginning of the shift. Meal periods shall be on the employer's time when the employee is required by the employer to remain on duty on the premises or at a prescribed work site in the interest of the employer.
     (2) No employee shall be required to work more than five consecutive hours without a meal period...” [Order 76-15, § 296-126-092, filed 5/17/76.] [↑](#footnote-ref-12)
12. Prior to February 1, 2008, mileage moves were calculated based on moves of more than 35 miles. [↑](#footnote-ref-13)
13. Prior to January 27, 2008, household goods companies had 10 days to respond to commission-referred complaints. [↑](#footnote-ref-14)
14. Staff reviewed only those complaints filed against the corporation of BumbleBee Moving North, Inc. which became registered as a corporation with the commission in July 2003. [↑](#footnote-ref-15)
15. A copy of the staff investigation in Docket TV-051629 is included in Appendix I. [↑](#footnote-ref-16)
16. Statute of Limitations. An action upon a statute for a forfeiture or penalty to the state must be commenced within two years. RCW 4.16.100(2). [↑](#footnote-ref-17)