

NOTICE

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Fact Sheet

Washington Utilities and Transportation Commission

February 24, 1998

Proposed Changes to Protect Consumers on the Move

The Washington Utilities and Transportation Commission (commission) tightly regulates the residential moving industry by determining who may operate as a mover, where a mover may operate, and what a mover may charge for services. However, consumers have complained that regulation protects moving companies more than it does consumers. For instance, prices for services are set by the commission, and consumers could end up paying a final moving bill that is significantly higher than their original estimate.

What is the commission proposing to do to improve consumer protection?

The commission wants to reform its regulations to be more efficient, and to increase consumer choice. That means opening entry to all qualified applicants who comply with safety and consumer protection standards.

New rules might allow carriers to charge different prices, as long as the prices are not higher than the current regulated rate. The commission is also considering whether movers should offer firm or guaranteed bids.

Opening up the industry to new participants, and granting greater pricing flexibility, will improve consumer choice and allow for competitive rates. Refining our consumer protection and disclosure requirements will ensure that consumers, who do not often seek the services of movers, are able to avoid the fraudulent scams or poor service that can otherwise accompany a more competitive market.

Why are movers regulated?

The law requires moving companies to be licensed if the haulers use public roads and are paid to transport a resident's possessions to a new location within the state. The rules that apply to movers were created many years ago when the entire trucking industry was highly regulated. Since 1995, movers of household goods are the only sector of the trucking industry where rates, routes, and business entry are still heavily regulated by the state.

Regulation is still in place because moving personal belongings requires a level of service above and beyond that performed by ordinary freight carriers. The act of pulling up a truck to someone's home, packing up all their belongings, and driving off with them is one in which special care and guarantees are needed to protect consumers. Regulated movers must have specialized equipment, carry appropriate insurance, and be able to perform services such as packing and unpacking valuables.

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What is regulated?

Movers must acquire special permits that define the territory where they can operate. The commission also sets the rates that movers must charge. Getting a new certificate is difficult. New permit applications may be challenged by existing movers. Applicants must prove that they will meet a need that is not being met by existing movers. Few new applicants can demonstrate this need.

State regulation provides safety and consumer protection. Carriers must follow rules about maintaining and safely handling their vehicles, and must hire qualified drivers who pass drug and alcohol tests. Regulated movers must have liability insurance and proper equipment, and must disclose essential consumer information to their customers. The moving companies also must provide minimum amounts of insurance for loss and damage claims, and comply with all laws and regulations. The commission offers some assistance in mediating disputes between movers and their customers.

Why does a move sometimes cost more than the original estimate?

Not all moves exceed the original estimate. When they do, the larger amount is usually based on either additional weight carried by the truck or time necessary to complete the move. Movers are required to charge the state regulated rate for the actual distance, weight, and time associated with the move. This rate is the same for all movers operating within Washington. Thus, when a mover submits a bid for a job, it is not a guarantee but an educated guess of how much it should cost (based on the information the mover used to determine the estimate). If the actual move weighs more or takes longer than was assumed in the original bid, the final cost of the move will increase.

A major consumer concern is the practice known as "lowballing" where movers intentionally underestimate bids to attract customers. Companies caught lowballing can be penalized by the Commission, but the consumer must still pay the final bill if it accurately reflects the amount of work involved--even if it's double or triple the original estimate.

How can I get involved?

The commission wants to know what is important to you. Please write to the commission at P.O. Box 47250, Olympia, WA 98504-7250. Please list the docket number, TV-971477, on your correspondence. You may also contact Kim Dobyns, staff lead, at (360) 664-1242 or kim@wutc.wa.gov to express your interest. Thank you.

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