

VIA FAX

Date Received: February 23, 1998

Docket No.: TV-971477

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

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Commissioner Gillis  
Commissioner Hemstad  
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**Crown-Mayflower**

Crown Moving Co., Inc. / P.O. Box 58786 / Seattle, WA 98138 / (206) 575-3100



February 23, 1998

Pat Dutton  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
1300 S. Evergreen Park Dr. S.W.  
P.O. Box 47250  
Olympia, WA 98504-7250

RE: Household Goods Rule making  
Docket No. TV-971477

Dear Ms. Dutton,

As a follow-up to your request for comment regarding the Household Goods Rule making, I would like to offer the following comments:

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RECORDS MANAGEMENT  
98 FEB 23 PM 4:45  
STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

**THE MOVING INDUSTRY-**

I would like to discuss the matter of the uniqueness of the Moving Industry. The Industry is made up of individual moving companies throughout the world. Some of these companies being relatively small in nature; one or two men and a truck, moving less than fifty shipments a year, as compared with very large companies, with thousands of employees and trucks, and moving millions of shipments a year. What makes this unique is that even the very large moving companies are unable to service all parts of the country let alone the entire world. These companies, individually, can only service the geographic regions in which they own operations. Most of the companies are located in small geographic areas and only service those immediate areas. That became the reason that all of the companies individually formed alliances with one another through out the country and formed Interstate Carriers. These alliances were accomplished through standard agency agreements, allowing the individual small moving companies to represent the Carriers as Agents. While most of these interstate carriers seem strong and self sufficient in nature, they are only as strong as the individual companies or Agents by which they are represented. We as Agents which are the small individual moving companies are a vital component to the makeup and network of the larger National Carriers. Therefore, we are governed by multiple regulatory agencies both Federal as well as State. This may seem like over regulation, however, because of the vast nature of our business it is essential to maintain a dependable reliable network throughout to ensure the protection of the entire population of the country. These regulations, sometimes seemingly unimportant, actually maintain the welfare of the public as well as the Industry.



## TARIFFS-

Since Carriers rely on their Agents across the country to provide the various services necessary for the different aspects of the relocation process, it was necessary to adopt a uniform pricing method to offer to the Carrier's customers moving from one part of the country to the other. The standard pricing method established for the entire network of Carriers and Agents was a tariff. These rates were established geographically based on financial and demographic information for that particular region. In order to establish a standard list of prices for Carriers to provide to their customers, a standard Tariff was created. For years this Tariff was under the jurisdiction of the Interstate Commerce Commission. Since the ICC was terminated, the Interstate Tariff has been under the Surface Transportation Board, a division of the DEPARTMENT OF TRANSPORTATION. This Tariff is referred to as the PROFESSIONAL MOVERS NATIONWIDE HOUSEHOLD GOODS COMMERCIAL RELOCATION TARIFF. It is published by The Household Goods Carriers' Bureau Committee and copyrighted by The American Movers Conference.

The STATE OF WASHINGTON has a similar tariff for Washington State intrastate movers. This tariff though being somewhat smaller in scope and application, serves the Washington movers as a set of pricing guidelines based on demographics and the geography of the State of Washington. Again, because there is need to utilize other moving and storage companies by the individual carriers to provide a seamless service to the customer, the Carriers have a need to maintain a tariff to provide their customers rates that are uniform.

As a Certificated Carrier operating independently here in the State of Washington, CROWN MOVING CO., INC. currently subscribes to the WUTC Tariff. The items in this tariff are specific enough to fully describe the services and the charges for those services with only a few exceptions. The Washington Movers Conference is currently working with the WUTC on updating any conflicting or deficient items.

## SHIPPERS-

The customer of the Moving Industry is typically a person who wishes to move their personal belongings of their household from one residence to another, across town, across the nation, or around the world. These Shippers, as they are referred to in the Industry, are usually unfamiliar with the variety of ways in which moving can be accomplished. In the selection process of a professional mover the Shippers are solely at the mercy of the person and/or Carrier they have contacted to assist them. This Carrier representative then provides them information on the services the Shipper requires, and also provides a list of costs of such services.

### ESTIMATES-

Certificated Carriers, when requested by potential Shippers, will provide Estimated Costs of Services which clearly define the exact services The Carrier is agreeing to provide at costs clearly specified in a format which is easily understood. This method of estimating has evolved within the Moving Industry over the last eighty years. Besides providing an Estimate, the Carrier also is a consultant to the customer by assisting them in designing the moving process specifically tailored to the customers needs. If particular needs of the Shipper's change during the moving process, Industry has created an instrument which allows for the notification and the acceptance of the Shipper to facilitate any change they deem appropriate. The issues of providing total protection to the customer is clearly defined and produced by the Industry and is in current Industry regulations. Industry understands the importance of educating our shippers for their protection and the safe reliable movement of their belongings. The Industry has assisted in the production of publications which protect the Shipper's interest in the selection of a mover and in the move itself. There are many ways a Shipper is extremely vulnerable to unscrupulous movers. If Shippers are allowed make uneducated decisions about their move, the decision can become a very costly experience. These uneducated decisions can lead not only to paying too much, but can also lead to the total loss of everything a Shipper owns. Because of this extreme vulnerability, and due to the fact that illegal, unscrupulous, movers continue to operate today, there is a great importance for the continued existence of regulatory bodies to enforce the methods in which our industry operates with the general public.

If these laws, along with the rules and regulations of the tariffs, which are very specific in nature, are allowed to erode through lack of enforcement, they can become tools to manipulate the public into believing they are protected when they really are not. Only through continued attention to enforcement of all of these existing rules and regulation, will the shippers indeed be protected.

### BINDING ESTIMATES-

To portray that a person is getting a binding estimate or a bid is only a play on words. All estimates include the language that the Estimate covers only the goods and services listed on the estimate. What actually transpires is the shipper is sometimes duped into believing that this is all they are going to pay, which in many situations is not the case. Binding and Estimated Costs of Services are contradictions in terms. Therefore, Binding Estimates should not be encouraged or sold to the customer. Binding Estimates are also used as a predatory practice to circumvent the rates published in the tariff. When rates are allowed to be manipulated through price fixing or price discrimination, a constant effort and high cost of tariff updating evolves and becomes the responsibility of the regulatory bodies to further maintain. This again is another inefficient waste of time and money.

Our current Estimating practice in providing a normal Estimated Cost of Services serves a purpose that is truly in the best interest of the consumer.

#### LOCAL CARTAGE--ENTRY-

Local Cartage is a term which is used to describe Moving Services provided within certain geographical civic areas. As stated above in the Industry description, most carriers are made up of smaller moving companies located in certain geographical areas. Now, based on their scope of operation; numbers of trucks, personnel, financial status, warehouse locations, ability to serve, the need for such service, public convenience, and above all, the granted approval to operate for the protection of the public, a Carrier is allowed to enter and service a particular segment of the population. As segments of population grow, so do the increased requirements to protect the general public grow. To maintain consistent reliable service, and to assure public protection, constant scrutiny of the providers of moving services must be adhered to. Currently, a carrier must prove public convenience and necessity as well as financial and fitness ability to enter the market. If a carrier is allowed to enter a market, and the need for such entry is not justified, the future existence of that carrier currently serving that market from within is jeopardized. A Carrier could operate outside the community and only serve the occasional need i.e. the larger more profitable moves, and force a small operator to shut down his operation within the community. Thus, causing the other needs of the community, i.e. smaller moves, storage and the like to go ignored or preyed upon. This would cause undo costs to escalate as it would now be necessary to serve the community from a distance and only on a limited basis. Therefore, the market is forced to call outside their community for some services and are forced to pay the higher price resultant from higher costs. This is neither efficient nor economical for the community or general public to be faced with. Public highways are already clogged with partially loaded trucks moving inefficiently from market to market. Maybe it really is more efficient for the markets to be served from within and that was the real reason for limited entry. It also is a lot more efficient and easier for enforcement to serve the communities as well.

Currently, there is an ongoing action being pursued by The State Attorney General's Office in The State of Florida to resolve cases citing movers for violation of the State's Deceptive and Unfair trade laws. I believe there is a recent decision in a case; The State of Florida vs. Father & Son's Moving and Storage, out of the 4th District Court of The State of Florida, West Palm Beach, Florida, the WUTC may want to review. As you are aware, The State of Florida is currently trying to adopt regulations to protect consumers from unscrupulous movers. The State was tightly regulated prior to 1981. Since deregulation of the moving industry in the State of Florida, the State and County governments have been under constant pressure of politicians and consumer groups to

affect tighter regulation of the moving industry. It has become very obvious that the State's choice to deregulate was a bad decision.

In summary, I sincerely believe the Moving Industry is currently serving the public in the public's best interest. The intricate network of Carrier/Agent relationships and the current rules and regulations are serving the public better and safer than any other industry in the world today. Years and years of experience and trial and error have created a clean, reputable industry that clearly has their customers interest as there number one priority. To allow unjustified erosion or deterioration of such a fine industry would be highly detrimental to the general public and would cause havoc and chaos as it has proven in other States that have elected to deregulate this industry. The solid reputation of the Moving Industry today is only impugned by the States lack of interest or enforcement of the Regulations designed to protect the public's interest. These are the issues that plague the integrity of the Moving Industry today and has frequently been portrayed publicly. You must understand, these portrayals are not of the licensed legal movers of the Industry to which I speak. Please do not allow that to happen in the State of Washington.

Sincerely,  
CROWN MOVING CO., INC.



Scott M. Creek  
President