

VIA FAX

Date Received: August 5, 1998

Docket No.: TV-971477

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

Distribution:

Chairwoman Levinson
Commissioner Gillis
Commissioner Hemstad
Marjorie Schaer, ALJ
Penny Hansen
Teresa Osinski
Dixie Linnenbrink
Ann Rendahl, AAG
Vicki Elliott
Diana Otto
Paul Curl
Sally Turnbull
Linda Elhart
Foster Hernandez
Bonnie Allen
Cathie Anderson
Carlene Hughes
Kim Dobyms
Ray Gardner
Carolyn Caruso
Pat Dutton
Alan Dickson (mail)
Mary Sprouffske

For Records Center Use Only

RMS _____
FOB _____
PR _____
MSL _____
NOH _____
Disk _____
Initial _____

RECEIVED BY FAX ON 8-5-98
HARD COPIES RECEIVED

AIMWA The Association of Independent Movers of Washington

Date: July 5, 1998

From: Brian C. McCulloch
Executive Director

To: Pat Dutton

Re: Household Goods Rulemaking
Docket No. TV-971477

98 AUG -5 PM 3:19
RECEIVED
OFFICE OF THE
COMMISSIONER

Dear Pat:

Per your request, here are AIMWA's comments regarding the above referenced rulemaking process. As we have told you since its initiation, it is the Association of Independent Movers of Washington that the rulemaking should have been aimed at leveling the playing field for household goods shippers with those of other commodities such as office furniture.

The only argument that intuitively might make sense for the continuation of the Commission's heavy regulation of the household good moving business is the relatively low average frequency of household moves. This supposed lack of needed experience then would justify government intrusion into businesses such as roofing, auto repair and even medicine and law. After all, most consumers have even less experience in these fields which are significantly more important than moving used furniture.

More to the point, the last meeting produced a disturbing admission by the Commission that the keystone to the WUTC regulatory arch, a straightforward definition of the term "public convenience and necessity" has never been made either in statute or by regulation. It is the Association's position that defining such a basic term "historically, on a case by case basis" calls into question the very rulemaking itself.

This said, the following are comments to specific points raised at the July 22nd meeting. In addition, several others are included at the specific requests of several of our members. Again, these are consistent with our past written and verbal statements made to the Commission and staff on numerous occasions.

The first is in regard to another basic term, "household goods." Our position on whether or not the so-called box business falls within the meaning of the term is reality based. Household goods are being transported over the highway for compensation. The fact that the box companies do not physically touch the consumers' goods speaks to an area that the Commission has said is not regulated.

633 NW 180th Shoreline, Washington 98177-3522
206.546.5744 - voice / 206.546.8829 - facsimile

We also question the amount of the license fees. Many other licensed businesses in the state of Washington such as insurance and construction pay far less for their permits. The fees act as a deterrent to carriers seeking "authority" from the WUTC.

We continue to oppose the use of indefinite "financial fitness" standards, maintain that surety bonds are unnecessary and bar to entrance into the business and suggest that some of the recordkeeping requirements such as those required on leased trucks are unduly burdensome without benefit to the moving public.

Further, we believe that standards and requirements mandated by statute and rule should be applied uniformly to all permit holders. And, as stated previously, they need to be unambiguous, as well as clearly in the public interest.

While we continue to oppose rate regulation as an unnecessary interference in the "market mechanism," we will support on an interim basis and banded approach. Our recommendation is a band 25% below and 15% above the current tariff. As was mentioned during the last meeting, this banding does not address consumer needs with respect to so-called overtime moves, particularly with respect to weekends.

We believe that the above range covers most of the current market, thus recognizing reality. Importantly, having rates that reflect the consumer's willingness and ability to pay them would enhance enforcement.

A similar recognition of the public's needs and desires revolves around bids or price quotations. The public expects to be able to "book" a move over the telephone and have good idea of the total cost. Many people do not have the time nor the inclinations to have moving company salespersons come to their residence to give them a bid.

AIM_{WA} members have demonstrated for years their ability to provide accurate quotes over the telephone for a majority of the moves they perform. In fact, this is part of the way independent carriers have been able to save shippers money. It should be noted that many regulated carriers also have given telephone quotes for years.

Of course, so-called "onsights" are preferable for many moves including those involving difficult access situations and unusual or valuable items. They also are necessary for binding estimates, which we support, provided they are not mandatory and subject to supplemental estimates.

In either case, we feel that written estimates are always preferable. However, reality dictates that this is not always possible, particularly when short notice is provided.

AIM_{WA} supports staff's recommendation with respect to opening up the geography a carrier can serve to the entire state and without regard to so-called local cartage restrictions. Again, other licensed businesses are allowed to do business statewide.

With respect to cargo insurance, we support the recommendations put forth by staff at the last meeting. However, we strongly suggest that the term cargo be define and that other critical portions of the policy be limited.

In particular, the Commission should stipulate permissible exclusions and limitations, as well as deductible amounts be established so the Commission is assured of a level playing field between carriers and reasonable protections for consumers. We also suggest that only carriers regulated by the state insurance commissioner's office be allowed to provided policies.

While we are not opposed to carriers charging on a weight and mileage basis for moves over 35 miles, we want the ability to either negotiate a price with the shipper and / or charge on the same basis as local (under 35 miles) moves. Again, past and current practice by Association members shows that many shippers are satisfied and even prefer this form of pricing.

We look forward to testifying and responding to questions as allowed and needed next week. The above is subject to revision based on additional recommendations from staff regarding the points covered.

My apologies for not getting this to you yesterday, but as we discussed, computer problems prevented me from doing so. Please let me know if you have any questions.

Sincerely,



Brian C. McCulloch