

Date Received: June 8, 1998

Docket No.: TV-971477

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

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June 5, 1998

RE: Household Goods Rulemaking
Docket No. TV-971477

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98 JUN -8 PM 4:34
STATE OF MICHIGAN
UTIL. AND TRANS.
COMMISSION

Firm Bids or Not To Exceed Estimates

Shippers should be very cautious when requesting Carriers to perform a "Firm Bid" or a "Binding Estimate" on their household goods Estimated Cost of Services. All Estimates include the language ... this estimate includes only the items and services listed herein, any additional items or services not included in the original estimate will be assessed additional charges at lawful tariff rates.

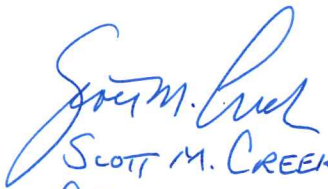
Discussion:

Price certainty is an important aspect for all parties involved in any transaction. However, because of the typical changes which occur during the preparation of the household goods move, and the possibilities of changes or complications which occur during the move, by providing a customer absolute certainty of no change in price would be misleading. Many of the issues that are dealt with today regarding underestimating are a result of unanticipated changes or unforeseen circumstances, which occurred during the move process. Whether an estimate is binding or nonbinding is irrelevant. Adjustments for additional services or items must be compensated for.

Many customers perceive that by getting a "Firm Bid" or "Binding Estimate", they are getting assurance their costs are not going to change. This has been deceptively used as a sales tool to dupe the unwary customer into believing that they are getting the best possible price for their move. This is not only unfair to the customer but usually results in an unfair pricing tactic against competition, commonly referred to as "Low balling".

Suggestion:

Eliminate any effort to implement Binding Estimates or Firm Bids.


SCOTT M. CREEK,
CROWN MOVING CO., INC