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From: jim@wmc movers.com <jim@wmc movers.com>
Sent: Monday, December 2, 2024 4:26 PM
To: Danner, Dave (UTC) <dave.danner@utc.wa.gov>; Rendahl, Ann (UTC) <ann.rendahl@utc.wa.gov>; mdoumit@utc.wa.gov
Subject: UTC DOCKET TV-240781

External Email

Good Afternoon All –

Reference: Recently published Washington Utilities and Transportation Commission DOCKET TV-240781, a tariff revision plan to Tariff 15-C increasing the rate band per docket TV-210812 Order 06.

This is a polite email addressing the above reference. I am providing the following information so you are aware that I will be opposing the proposal again at the upcoming UTC Open Meeting on December 19, 2024, because I and the WMC members have been declined several attempts to meet and discuss the UTC proposal and a suggested alternate WMC proposal.

At the meeting on June 27, 2024, the Commissioners voted to terminate the supplement and directed staff, to each November beginning November 2024, propose an inflationary adjustment to the upper rate band of Tariff 15-C, based among other information on projections utilizing the previous 12 months inflationary data as reported in the Seattle Consumer Price Index, to become effective January 1 of each year.

At the June 27th Open Meeting I opposed the proposal for an inflationary adjustment to the upper rate band of Tariff 15-C, based among other information on projections utilizing the previous 12 months inflationary data as reported in the Seattle Consumer Price Index, to become effective January 1 of each year.

I am opposing the proposal as I was not contacted by any UTC staff member to discuss their proposal. In other words I was blindsided at the Open Meeting.

On several occasions since the UTC Open Meeting, I contacted UTC staff requesting they set up a meeting to discuss and seek a more workable solution that would be fair and equitable to all WMC members located throughout the State. Each request was declined either because there “was a Commissioner’s Order” in place or because “we don’t have enough staff and are too busy right now.”

But facts are facts. On behalf of the Regulated Intrastate HHG Moving Industry, I filed Petition, TV-210812, back in late October 2021 requesting the removal of the Maximum Rate Band from HHG Tariff No. 15-C so HHG carriers would no longer be constrained from being able to recoup appropriate costs due to their ever-increasing costs of doing business in Washington State quickly. This was by no means an attempt to allow regulated HHG carriers to gouge Washington consumers, rather it proposed an easy method to allow properly regulated intrastate HHG carriers to be able to service their customers professionally, safely, and economically while earning a fair return on their investment in facilities, motor vehicles, material handling equipment, and personnel to provide professional services as needed for their customers.

To be clear, in UTC WAC rule 480-15-630 Estimates, it states a relocation HHG move doesn't occur/commence prior to the customer agreeing to and signing the required Estimated Costs for Services form presented by the HHG carrier. Therefore, the customer is in full control of their costs!

Based on Intrastate Regulated HHG Moving carrier competition within every locale throughout Washington State, should the consumer not like the estimated rates and charges being offered by their first choice, HHG carrier #1, they are free to contact carrier #2 and/or #3 for rates and charges they would be more comfortable with. In fact, the WMC encourages consumers to do just that.

In other industries regulated by the UTC, customer choices are simply not available because I know personally I don't have a say if my garbage rates go up, my natural gas rates go up, or my electricity rates go up. And I don't have another respective industry provider to contact for service where I live. The other regulated industries simply send in a Petition to the UTC requesting a rate increase because they need to generate "X-amount" of new revenue due to their increasing costs. And after an appropriate review, their petition is approved by the UTC.

Anyway, finally 44-months later on June 27, 2024, the UTC makes permanent a 20% increase to rates and charges contained in the UTC HHG Tariff 15-C. This was very welcomed by the HHG carriers but doesn't recoup lost revenues over the past three and a half years. Those revenues simply cannot be reclaimed.

This unfortunate delay was caused by the Commission co-mingling the WMC Petition, TV-210812 with the Clutter Inc. Petition, TV-210535, and dancing around for months to understand Clutter Inc's unfounded recommendations for procedural changes to Tariff No. 15-C that they expected to benefit their particular business model. Clutter Inc. is virtually unknown in Washington now.

Now, during the June 27, 2024, UTC Open Meeting, the UTC staff recommended an annual statewide increase to Tariff 15-C rates be made each year starting in January 2025 based on the Seattle Market Consumer Price Index (CPI)! This proposed action was not discussed in advance with the WMC and is simply not acceptable! A HHG carrier located in Spokane in Eastern Washington, or Richland in Central Washington, for instance, would receive a higher benefit based on that scenario, due to their lower operational costs, versus a HHG carrier in the greater Seattle market. This not an equitable plan!

Simply put, Regulated Intrastate HHG carriers need to be relieved from the Tariff No. 15-C rates constraint burden caused by the UTC Tariff's current Maximum Rate Band. Intrastate Regulated HHG carriers need to be able to operate in an economically open competitive market with solid regulated consumer protection rules in place. These protections, now in place, help keep rogue HHG carriers from operating with inferior, unsafe vehicles, non-criminal background checked employees, and ensuring solid valuation protections are in place covering the safe-handling and transportation of the customer's goods from origin to destination, when placed in Storage-in-Transit, or damage to the customer's residence/property.

This requested relief is justified due to nearly every month there is some new unsolicited business cost increase facing the regulated HHG carriers that they must absorb such as -

- Random Minimum employee hourly wage increases instituted by city, county, or state.
- HHG Packing Material increases imposed by Packing Material Suppliers.
- Fuel and vehicle maintenance costs increases.
- Likely coming a State mandated change from diesel powered vehicles to costly electric powered vehicles presently being sought by the Governor to support his Climate Change Initiatives.
- A 3.8% rate increase in employee Workers Comp fees starting in 2025 to be paid by the employer.
- A new increase in Paid Family Medical Leave just announced. The Paid Family Medical Leave premium rate will increase starting January 1, 2025. The premium rate will be 0.92%. The rate for 2024 is 0.74%.
- A New Long Term Care Program recently instituted by the State with fees paid by the employer. And,
- A new Health insurance costs increase just announced by the Washington Insurance Commissioner's office averaging 11.9% in 2025 for small businesses and their employees in Washington State.

For the Intrastate Regulated moving industry to file Rate Petitions every time there is a cost increase to their business operations would be burdensome and time consuming and a consequential additional workload burden on the UTC staff.

The WMC recommends a procedure that would retain a basis for a “Maximum Rate Band” to be in concert with the applicable WAC 480-15-490, Tariffs and rates general, which requires the UTC to maintain “Minimum/Maximum Rate Bands”. By making an adjustment to the Maximum Rate Band in its present form within HHG Tariff No. 15-C, it simply could be replaced by language requiring intrastate regulated HHG Carriers to file with the Commission an individual Tariff No. 15-C “Maximum Rate Sheet” listing maximum rates and charges for use by their respective company. This “Maximum Rate Sheet” would be used in discussions with their customers and by Commission staff to adjudicate any consumer complaints based on overcharging claims by the customer.

Any changes to the carriers’ “Maximum Rate Sheet”, up or down, would be allowed only two times in a 12-month period and be provided to the UTC staff 10-15 days in advance of the HHG Carriers planned implementation.

This procedure, once established, would be easy to use and follow and allow the UTC to continue to effectively regulate the Intrastate HHG Moving Industry in Washington State in accordance with State RCWs and WACs.

Thank you for your attention to this important issue.

Jim Tutton, Jr., Executive Director

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