



TV-210535/TV-210812

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March 24, 2022

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Executive Director and Secretary
Washington Utilities and Transportation Commission
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Re: *Inquiry regarding updates to Tariff 15-C,*
Dockets TV-210535 and TV-210812 (*consolidated*), Comments of Public Counsel

Dear Director Maxwell:

The Public Counsel Unit of the Washington State Attorney General's Office ("Public Counsel") respectfully submits these comments in response to the Washington Utilities and Transportation Commission's (the "Commission") February 22, 2022, Notice of Opportunity ("Notice") to Submit Written Comments in consolidated Dockets TV-210535 and TV-210812. The Commission opened these dockets in response to separate petitions from Clutter, Inc. ("Clutter") and the Washington Movers Conference (WMC) requesting revisions to Tariff 15-C. Public Counsel appreciates the opportunity to comment in these dockets and offers responses to the notice questions as well as general comments regarding Tariff 15-C.

- 1. Tariff 15-C defines "storage-in-transit" as 90 days or less (Item 10) and provides that liability for a shipment remains with the carrier while the shipment is in "storage-in-transit" (Item 100). Permanent storage begins after 90 days.**
 - a. Should the Commission consider changing the time shipments can be considered "storage-in-transit? If yes, what should the Commission consider and why?**
 - b. If permanent storage began before 90 days, when should it start and why?**
 - c. If permanent storage begins after 30 days, for example, what (if any) additional consumer protections should be extended to the customer?**
 - d. Are there any reasons this tariff rule should remain unchanged?**

Public Counsel did not object to Clutter's original temporary request for exemption from the 90-

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day requirement for its moving services tied to storage contracts. Public Counsel did not object, in part, because Clutter stated that the distinction between storage-in-transit and permanent storage was unnecessary because it provided both moving and storage services to the same customer.¹ The distinction, however, is a serious concern when applied to the household goods moving industry as a whole, when not all household goods movers provide the same, vertically integrated business model or maintain the same type of operations as Clutter.

Public Counsel believes the Commission should not change the definition of storage-in-transit to 30 days absent a significant showing that the current 90 days is harmful to customers or to household goods carriers and that the change is necessary. The Commission retains jurisdiction over household goods movers and extends its protections to customers of regulated household goods carriers so long as the goods are considered storage-in-transit. Upon becoming permanent storage, liability for a customer's goods shifts to the warehouse,² and, as Clutter's petition states numerous times, storage services are not regulated by the Commission.³ Retaining the longer, 90-day definition of storage-in-transit would ensure customers who may need additional time to determine a permanent location for their household goods are protected by Commission rules and oversight.

Commission rules regulate the valuation of the goods as well as carrier responsibility and level of insurance coverage over the goods.⁴ It is unclear to Public Counsel whether warehouses would extend the same protections and coverage to customers upon the change of status of the goods to "permanent storage." It is also unclear whether such warehouses would provide sufficient notice to customers of the change in status and insurance coverage or allow customers to modify the coverage they receive from the warehouse. Public Counsel does not believe 30 days would provide sufficient time for adequate notice while also providing customers enough time to move their goods if they do not agree to the terms offered by the warehouse for permanent storage.

If the Commission seeks to shorten the time-period for storage-in-transit, Public Counsel believes that additional information from the companies is necessary to determine what time frame would be appropriate. It would be helpful to ascertain how often customers keep their goods in storage-in-transit and how long customers keep the items in temporary storage. Public Counsel would also recommend the Commission review the procedures and materials companies use to notify customers of the status change and how the change to permanent storage may affect

¹ Clutter Amended Petition for Exemption, ¶ 12, *In re: Petition to open Tariff 15-C for revision and for exemption from specific provisions of Tariff 15-C and WAC 480-15 pending the revision of Tariff 15-C*, Docket TV-210535 (filed Aug. 30, 2021).

² Tariff 15-C, Item 100(2): "Permanent storage is warehouse storage of a shipment for longer than 90 days. The final destination of the move is the warehouse. The carrier's liability for the shipment ends upon delivery to the warehouse. Liability for the shipment while in permanent storage is the responsibility of the warehouse."

³ See e.g., Clutter Amended Petition for Exemption, ¶¶ 2, 8, 10, 14, and 19, Docket TV-210535 (filed Aug. 30, 2021).

⁴ See Tariff 15-C, Item 90, <https://www.utc.wa.gov/sites/default/files/2021-07/General%20Household%20Goods%20Tariff%202015-C.pdf>.

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their liability coverage. Public Counsel recommends that additional consumer protections be included in Tariff 15-C requiring companies to explicitly notify customers of the consequences of the shift to permanent storage at the time the original estimate is provided to customers.

2. Tariff 15-C Item 102(5) includes a contract for small goods transportation and storage services. This contract is very similar to the Item 95 Bill of Lading.

a. Could the contract in Item 102(5) be removed from Tariff 15-C, and small goods transportation and storage services use the Item 95 Bill of Lading instead?

Although bills of lading (Item 95) and the contract for small goods transportation and storage services (Item 102(5)) contain substantially similar information, the contract for small goods differs from the bill of lading in several significant respects. The contract for small goods transportation and storage requires “a binding price for the return of the household goods to the customer within three business days of the customer’s request for return.”⁵ This term notifies customers of the requirement under Item 102(3) for a carrier to return a customer’s goods within three days of the request.⁶ The term also binds the carrier to a stated price for this service and protects the customer from last minute price changes. In contrast, bills of lading specifically state that, unless specific arrangements have been authorized by the contract, the carrier is not required to transport the customer’s goods by any particular schedule and is not liable for delays.⁷

The contract terms regarding carrier liability in a bill of lading also differs significantly from the terms included in the contract for small goods transportation and services. Under the contract terms and conditions of the uniform household goods bill of lading, the carrier is only liable for items held in storage-in-transit.⁸ Tariff 15-C requires the bill of lading to clearly state this limitation of liability. In contrast, Tariff 15-C states that the carrier’s liability for the household goods under a contract for small goods transportation and storage does not cease until the goods are returned to the customer.⁹ The storage-in-transit definition does not apply to small goods transportation and storage.

Public Counsel does not believe that the existing bill of lading should replace the contract for small goods transportation and storage services on a permanent basis. Clutter’s request for exemption from the use of the contract for small goods transportation and storage was based on its belief that the bill of lading contained all the required information and appropriate customer protections.¹⁰ The existing bill of lading, however, does not include the two customer protections

⁵ Tariff 15-C, Item 102(c)(xii).

⁶ *Id.*

⁷ Tariff 15-C, Item (95)(2), Contract Terms and Conditions of Uniform Household Goods Bill of Lading, Section 3.

⁸ Tariff 15-C, Item (95)(2), Contract Terms and Conditions of Uniform Household Goods Bill of Lading, Section 1.

⁹ Tariff 15-C, Item 102(6)(a).

¹⁰ Clutter Amended Petition for Exemption, ¶ 23, subpart ‘f’.

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described, above. If the Commission determines that carriers should only use a single bill of lading for all sizes of moves, Public Counsel recommends that the bill of lading be modified to include the additional terms and conditions that govern small goods transportation services.

3. Tariff 15-C Item 230(2) requires moving companies to bill customers in 15-minute increments.

- a. Should the Commission consider eliminating the current time increment requirement and, instead, allow companies to bill customers by the minute?**
- b. Should the tariff rule retain the option to bill in 15-minute increments, and add the option to bill by the minute?**
- c. If the Commission allows billing for time spent on the job by the minute, will that change how you track time spent on the job?**

Public Counsel believes that the Commission should retain the option to bill customers in 15-minute increments and add the option to bill by the minute. This change would be beneficial to customers who may only need quick access to their items without forcing all carriers to modify their existing business practices. Carriers who chose not to modify their billing systems to bill on a per minute basis can continue to bill using 15-minute increments.

4. Tariff 15-C Item 230(7)(a)(ii) sets the minimum hours carriers can charge for household goods moves that occur after hours, on weekends, and on state-recognized holidays at four hours.

- a. Should the Commission consider removing the four-hour minimum and adopt a one-hour minimum for all moves?**

Public Counsel believes that the Commission should consider removing the four-hour minimum for after hours, weekend, or holiday moves. In its amended petition, Clutter requested an exemption from Item 230(7)(a)(ii), which requires a minimum charge of four hours for moves performed after hours, on weekends, or on state-recognized holidays.¹¹ The Company argues that the provision harms customers because it prevents Clutter from taking on smaller jobs on weekends or holidays without over charging customers.¹² Public Counsel believes that it is unfair to charge consumers for a four-hour minimum when that amount of time is not required to move their household goods. We also believe that requiring a four-hour minimum charge on weekends or off hours may harm customers who must schedule their move outside of 8am-5pm on weekdays. Public Counsel is interested to hear from other stakeholders as to why a four-hour minimum on weekends or holidays might be necessary.

¹¹ Clutter Amended Petition for Exemption, ¶ 23, Docket TV-210535 (filed Aug. 30, 2021).

¹² Clutter Amended Petition for Exemption, ¶ 23, Docket TV-210535 (filed Aug. 30, 2021).

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In the alternative, Public Counsel believes that language could be added to the tariff item that restricts the use of a one-hour minimum to smaller household moves, such as those categorized as small goods transportation and storage. This would enable companies willing to provide such service to do so without overcharging consumers.

5. WMC’s petition requested removal of all maximum tariff rates contained in Tariff 15-C, while maintaining a “reasonable Minimum Rate Band.”

a. Are the current minimum tariff rates reasonable?

Public Counsel understands that some household goods movers such as Clutter would seek to eliminate a minimum charge in certain circumstances because under their business model, the cost of moving certain goods to storage is negligible and already covered by their storage fees.¹³ Public Counsel believes that, in a competitive environment, it is possible, given the existence of various other consumer protections,¹⁴ a minimum tariff rate may not be necessary. However, we are interested to hear from other stakeholders as to whether a minimum rate should continue to be part of the tariff.

b. If not, how should the Commission alter the minimum rates?

As noted above, given the competitive environment and the existence of other consumer protections, Public Counsel believes that a minimum rate may not be necessary. As the notice states, eliminating either the minimum or maximum tariff will require the Commission to amend WAC 480-15-490(4) because the WAC requires the Commission to set minimum and maximum rates.

c. How should the Commission determine/establish minimum rates?

Rates established by the Commission must be based on cost of service.¹⁵ The Commission should conduct a robust cost of service study to determine the appropriate rates. However, the Commission may also need to consider what to do about companies that are outliers in a cost of service study, i.e. their costs are much higher or lower than the average moving company. The Commission has previously rejected attempts to “restrict industry pricing flexibility” that would “discourage companies from offering innovative services.”¹⁶ Public Counsel believes that the

¹³ Clutter’s Amended Petition, ¶ 14, Docket TV-210535 (filed Aug. 30, 2021).

¹⁴ Consumer protections such as background checks, medical certifications, drug testing, and safety inspections. In addition to the various state and federal requirements for transportation companies, consumers also rely on publicly available company reviews on websites such as Yelp.com, Google.com, or others when selecting a moving company.

¹⁵ RCW 81.04.250.

¹⁶ *In re: Wash. Utils. & Transp. Comm’n Amending WUTC Tariff 15-B, Relating to Interstate Transportation of Household Goods*, Docket TV-071649, Order 01, ¶ 5 (Aug. 15, 2007).

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Commission should not necessarily raise the minimum rate or take other actions that would restrict innovation or efficiencies.

6. Tariff 15-C contains several maximum rates for various goods and services.

a. Are the current maximum tariff rates reasonable? Why or why not?

The maximum rates for Tariff 15-C were revised in Docket TV-190664, Order 01, February 20, 2020. The Washington Movers Conference petition¹⁷ outlines several factors impacting the costs of providing moving and other services in Washington. Public Counsel looks forward to the comments of other stakeholders as to whether the current maximum tariff rates are reasonable.

b. If the Commission were to set the maximum rates to allow the industry the ability to recover the costs outlined in WMC’s petition, how should the maximum rates be set?

As noted above, rates established by the Commission must be based on cost of service.¹⁸ Public Counsel believes that the Commission should explore the possibility of separating out the costs that are most variable from the hourly or mileage rates that moving companies charge.

General Comments

Public Counsel also encourages the Commission to consider a few updates to its website to make it easier for consumers to research movers or file a complaint. Notably, moving companies are called “households goods carriers” on the Commission’s website. We suggest including the word “movers” or “moving companies” alongside “household goods carriers” because the term household goods carriers is not a common layperson term. For example, the webpage could be titled “movers/household goods carriers” or “movers (household goods carriers)”.

Along the right side of the main household goods carriers’ webpage, there are several links to other important pages. We suggest adding a link near the top of the page to “file a complaint” that would direct consumers to the public complaint form.

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¹⁷ WMD Petition, *Inquiry regarding Updates to Tariff 15-C*, Docket TV-210812 (filed Oct. 10, 2021).

¹⁸ RCW 81.04.250.

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If you have any questions about this filing, please contact via e-mail Stephanie Chase at (206) 521-3212 or via e-mail at Stephanie.Chase@ATG.WA.GOV or Nina Suetake at the contact information, below.

Sincerely,

/s/ 

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Enclosures

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