



TV-210535/TV-210812

March 24, 2022

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COMMISSION

Comments in response to Commission's request for stakeholder input regarding Dockets TV-210535 and TV-210812

The Commission requests both general comments and responses to the questions provided below.

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?

No. There is no need to change the rules to suit one company's business plan. By reading the UTC's own findings during the investigation of Clutter's operating practices in Washington under their temporary authority plus the huge number of 1-star national reviews, Clutter has shown a history of promising low rates to convince the public to use their storage, which then after the items are in storage to significantly raise rates indiscriminately. By leaving the SIT at 90 days, at least the public in WA State would have 90 days of some sort of protection from predatory price hikes. Clutter's storage contract contains numerous clauses that can only be considered anti-consumer, such as a waiver of a hearing on any issue, no access to class action suits and a requirement that all matters go to arbitration. These measures clearly are counter to the UTC's stated purpose of protecting the consumers of Washington.

Please see attached information on Clutter's business practices.

- b. If permanent storage began before 90 days, when should it start and why?
It should be left at 90 days per the above explanation.

- c. If permanent storage begins after 30 days, for example, what (if any) additional consumer protections should be extended to the customer?

The UTC does not currently have jurisdiction over permanent storage. Any additional consumer protections would have to be through legislation. By reducing the permanent storage to 30 days, the consumer would lose important protections such as:

1. The storage facility is chosen at Clutter's sole discretion, not the customer's choice of location;
2. If any items are not protected with moving blankets, the consumer is responsible for damage to those items even though Clutter is supposedly responsible for using packing blankets;
3. The consumer is solely responsible for ensuring that all items have been inspected and photographed by Clutter and waives and releases Clutter from responsibility for any damage to items that are not photographed by Clutter. Clutter, of course, is in sole possession and control of the photographs;
4. Clutter's storage contract is specifically governed under the laws of the State of California and the consumer expressly agrees that the contract agrees to the "No Warranty" section of the contract and assent to this contract is to be a complete and unconditional release of all liability to the greatest extent permitted by law and Clutter will not be liable for any failure to return Customer items in the event of a business failure.

Clearly, the consumer is losing important protections currently afforded by the UTC's regulation of short-term storage. See <https://www.clutter.com/legal/tos> & https://www.clutter.com/legal/privacy_policy

d. Are there any reasons this tariff rule should remain unchanged?

In addition to the reasons outlined above, every permitted moving company in the state will not have to change all of their printed materials and reprogram their systems resulting in unneeded expense at this time of historic rising costs to the industry.

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?

If using the same Bill of Lading would entail additional required items being added to the Item 95 Bill of Lading then no. Please do not combine them since changes required in printing, programming and allowance for space on the document would be an added expense. It has so much information on it presently that adding more will make it more confusing for the consumer and personnel trying to have it completed properly on a job site.

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?

No, there is no need to bill by the minute. Since permitted moving companies, operating legally, have to supply the consumer an estimate for their regulated services showing the number of people on the job, number of trucks, materials to be used, how much weight and cube for the shipment plus rates for the time and amounts of materials used. To estimate those items, plus factor in traffic, access issues, use of elevators or long carries plus all the other unforeseen circumstances that present themselves on a move down to the minute is neither practical nor realistic.

b. Should the tariff rule retain the option to bill in 15-minute increments, and add the option to bill by the minute?

No need to bill by the minute. To offer that option is to create a false impression of precision that is neither practical nor realistic to the consumer.

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?

No. We do not believe that by having a sales gimmick saying we charge by the minute we can give an honest estimate of charges to a prospective client. As local moving is charged by the hour, portal to portal traffic, elevators, stairs, congested buildings, etc. all make estimating down to the minute not realistic in today's environment.

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?

No. The people that will end up taking the brunt of a reduction to a one hour minimum are the movers actually doing the work. Uncaring or unscrupulous companies could try to call in labor for a 1-hour job with the risk of losing one's job if they do not comply. Would you want to come in on a Sunday or Holiday for one hour's pay?

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?

The tariff minimum now is \$37.93 for a truck and driver for a move over 3 hours.

This year the minimum wage in Seattle is \$14.49 per hour which increases by the CPI each year. A cost for an individual (if you could find someone to work as a mover at minimum wage) is below –

Hours per year	2080
Rate	\$14.49
Wages/yr. full time	\$30,139

FICA	2,306
FUTA	42
SUTA	527
Med/Dental	3,666
Uniforms	412
L & I	3,689

TOTAL COST	40,782
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COST/ACT HR WORKED	\$21.11
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COST AS % OF WAGE	145.69%
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Rental truck cost per Penske + fuel

16ft - \$59.99/day \$0.59/mile \$14.99/hour \$419.93/week \$1,819.69/month

22ft - \$299.99/day \$1.29/mile \$74.99/hour \$2,099.93/week \$9,099.69/month

26ft - \$299.99/day \$1.29/mile \$74.99/hour \$2,099.93/week \$9,099.69/month

Other costs to consider – insurance, advertising, internet web site and lead purchase, sales commissions, communication cell phone and computer, taxes, fuel, DOT mandated pre-trip safety inspections, administrative overhead, claims, legal, rent, maintenance on vehicles (if you own them), background checks, drug testing, weight tickets, paperwork -B/L's, estimates, cube sheets, inventory forms, bank fees for credit cards, etc.

As you can see, a minimum wage individual who is required to pass a background check and drug test to be operating legally, and the smallest rental truck equals \$36.20 per hour plus mileage and fuel which now is pushing \$5.00 per gallon. By cutting out med/dental and uniforms it could save a couple dollars per hour on the base number. Then all of the other overhead would be determined by each individual company by how they operate but yes, the minimum is too low IF they are operating legally and not attempting to operate at below cost in an effort to force out the competition.

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

Automatic CPI adjustments on a regular basis so a timely increase goes into effect when the expenses are being incurred, not years down the line. Also allowing an additional charge for credit card fees on all rates. It was surprising how many clients wrote checks instead of using a credit card during the short time it was allowed to be a separate line item thus saving a large amount in fees.

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

By doing a new cost study to find out the realistic cost for running the business legally and increasing it by the CPI each year. If unforeseen usual expenses increase by an excessive amount not reflected in the CPI, then perhaps a surcharge could be added until those expenses moderate or a new rate study is performed.

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?

No. The maximum rates at this time are not reasonable in all cases. With the tight labor market, moving companies are competing with all the other trade type industries which are able to raise their prices whenever their costs and the market dictate. With no regular CPI adjustments to the tariff, moving companies have no way of knowing if rate adjustments will be coming in the future without a long drawn out process before they are operating at maximum tariff at all times so long-term planning suffers. Many of the rates were raised in Feb 2020 but they had been static since 2008.

As an example, the rates right now for mileage rated shipments are too low considering that usually a class A driver, which are at a premium, will be out of town for an extended period of time. Drivers now usually have to bring the helpers with them since no qualified (drug & background checked) labor is available at the destination because moving companies all over the state have a shortage of qualified labor. The other issue is some shipments go out into the wilderness away from population centers so there isn't another moving company within many miles even if they did have qualified labor available.

The other issue with mileage rates, is by using 55 miles and over as the mileage rated standard, there is no way to calculate the traffic which can be encountered going through congested large cities or the additional time needed to obtain weights. For example, Lynnwood to Olympia is approximately 77 miles. A driver from our Lynnwood location first has to drive to the nearest scale to get a light weight (18.8 miles 25 minutes), then to residence to load (18.8 miles back in morning southbound traffic)

and back north to the scale to get the heavy weight (another 18.8 miles in the wrong direction) and then back to the warehouse (another 18.8 miles) at the end of the load so the shipment can be rated. Just to get the shipment loaded and weighed the truck has traveled almost 80 miles for a shipment that will be rated as 77 miles. Now traveling south through either Seattle or Bellevue the time allowed for traffic is impossible to predict. One day it could take an hour to get to the south King County line and the next day it could take 3 hours.

By expanding the local hourly rated shipments to 100 miles, it would eliminate one of the problems with the shorter unprofitable mileage rated shipments. It would also save time, fuel, emissions and wear and tear on equipment.

Packing material wholesale costs, fuel and insurance have gone up even much faster than the CPI so perhaps common knowledge and easy to verify items could have additional increases or surcharges over a yearly planned CPI adjustment if eliminating the maximum cap is not considered.

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?

The WMC's petition was to take the maximum cap off the tariff so the need to figure out how they should be set would not be needed. The individual companies' costs, capacity and public demand dictate what the rates should be, but it varies by the time of year, what days within the month and what the licensed competition is charging. Just like in the airline industry if you want to travel during the holidays, it is more expensive than a redeye in the middle of the week during the slow times.

The moving industry is at high demand and overcapacity in the summer and sometimes next to no work in the winter but the expenses for all the overhead extends all year. Movers often operate at a loss in the winter but make it up in the summer, but if the summer rates are capped and not high enough, the movers can't make up for the losses in the winter. Hard way to try to run a business.

I look forward to the upcoming Stakeholders meeting and the opportunity to present the perspective of a long-standing regulated household goods mover.

Sincerely,

A handwritten signature in black ink, appearing to read 'L A Nelsen', with a long horizontal flourish extending to the right.

Larry A. Nelsen
President – Hansen Bros. Transfer and Storage Co. Inc.
Current President of the WA Movers Conference