

**WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

**STAFF AUDIT REPORT
OF THE BUSINESS PRACTICES OF
NEIGHBORS MOVING AND STORAGE
OF SEATTLE, LLC.**

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PURPOSE, SCOPE and AUTHORITY

Purpose

Neighbors Moving and Storage of Seattle, LLC (Neighbors Moving or Neighbors), holds common carrier authority, including transportation of household goods, within the state of Washington. The purpose of this audit is to determine the company's compliance with Washington State statutes and the Washington Utilities and Transportation Commission (WUTC or Commission) rules.

Scope

The scope of the audit focuses on transportation of household goods in Washington intrastate commerce by Neighbors Moving and the company's compliance with Washington State statutes and Commission economic and consumer protection rules.

Authority

Staff conducts this investigation under the authority of the Revised Code of Washington (RCW) 81.04.070, RCW 81.80.130, and RCW 81.80.330; and Washington Administrative Code (WAC) 480-15-010, which gives the Washington Utilities and Transportation Commission regulatory authority over companies that transport household goods within the state of Washington.

Copies of the laws and rules are included in Appendix A.

Staff

M. Carlene Hughes, Compliance Program Coordinator, Business Practices Investigations

EXECUTIVE SUMMARY

Commission Staff investigated four consumer complaints filed against Neighbors Moving between February 2004 and April 2005. During the same time period, Staff issued a total of one-hundred and seven violations for failure to comply with the rules relating to the transportation of household goods. During these investigations Commission Staff has given Neighbors Moving training and technical assistance in an effort to help the company obtain compliance with state statutes and Commission rules.

While Staff began this audit to determine the type of additional assistance Neighbors Moving needed to more effectively address its economic compliance and consumer complaint issues, Staff found that Neighbors Moving has been given sufficient direction in the past to correct its conduct. Staff finds that Neighbors Moving continues to make business decisions that indicate the company is either unwilling or unable to comply with the household goods laws and rules.

This audit of the economic records and business practices finds Neighbors Moving in violation of the following state statutes, Commission rules, and Household Goods Tariff 15-A Items:

1. RCW 81.80.357 and WAC 480-15-610, which requires household goods carriers to list their permit number in every means of advertisement and correspondence showing the carrier's name and address.
2. WAC 480-15-390, which requires a household goods carrier to conduct operations under the name shown on its household goods permit.
3. WAC 480-15-480, which requires a household goods carrier to file its annual report and pay its regulatory fees by May 1st of each year.
4. WAC 480-15-490(5), which requires that household goods carriers charge the rates and charges contained in Tariff 15-A, unless the Commission has approved deviations from the tariff.
5. WAC 480-15-620, which requires a household goods carrier to provide a copy of the commission brochure, "Your Rights and Responsibilities as a Moving Company Customer" to each customer at the time of the move.
6. WAC 480-15-640, which states a household goods carrier may not provide a verbal estimate to a potential customer.

7. WAC 480-15-730, which requires household goods carriers to use the bill of lading format shown in the published tariff.
8. WAC 480-15-740, which requires household goods carriers to list specific information on the bills of lading.
9. WAC 480-15-750, which requires household goods carriers to maintain copies of weight tickets with the bills of lading for which the weight tickets were required.
10. WAC 480-15-840, which requires that all claims must be numbered consecutively and that the household goods carrier must maintain a claim register.
11. WAC 480-15-860, which describes the information that must be included, at a minimum, in the claim record.
12. WAC 480-15-890, which requires the household goods carrier to respond to a Commission-referred complaint within ten business days.
13. Tariff 15-A, Item 90(5), which requires that a carrier must not load the customer's goods until such time as the customer selects a valuation option and makes the appropriate notation on the bill of lading.
14. Tariff 15-A, Item 95(1)(b), which requires that carriers must use a bill of lading that contains all of the information required in Item 95.
15. Tariff 15-A, Item 95(1)(o), which requires a notation that the customer was provided a copy of the Rights and Responsibilities brochure or that the customer refused a copy when it was offered.
16. Tariff 15-A, Item 95(2)(c), which requires the exact name, address, and telephone number of the consignee.
17. Tariff 15-A, Item 95(2)(d), which requires the exact location of the origin pickup point, any split pickups, stops to partially load or unload, and the final destination point of the shipment, be listed on the bill of lading.
18. Tariff 15-A, Item 95(2)(g), which requires a declaration of the type of estimate (binding or non-binding) under which the shipment is moving on the bill of lading.
19. Tariff 15-A, Item 95(2)(h), which requires a section on the bill of lading where a customer must select the type of valuation coverage under which the shipment is moving.
20. Tariff 15-A, Item 95(3), which requires that specific terms and conditions that govern the transportation of household goods be printed on the back of the bill of lading.

21. Tariff 15-A, Item 100, which requires the household goods carrier to charge specific rates for goods placed into storage-in-transit.
22. Tariff 15-A, Item 101, which requires the household goods carrier to charge specific rates and follow specific rules for placing goods into storage-in-vehicle.
23. Tariff 15-A, Item 110(2), which requires carriers to use the Rand McNally Mileage Guide to determine the correct mileage for a mileage-rated move.
24. Tariff 15-A, Item 120, which requires that the minimum charge for any mileage-rated shipment be calculated by constructive weight and that both the minimum weight and the actual weight be shown on the bill of lading.
25. Tariff 15-A, Item 140, which describes which bulky or heavy articles a carrier may charge extra for transporting.
26. Tariff 15-A, Item 155(3), which requires that customers be charged for each stop-in-transit during a move.
27. Tariff 15-A, Item 170, which specifies when a household goods carrier may charge piano and organ handling charges.
28. Tariff 15-A, Item 175(a), which requires a carrier to pass through to the customer the actual cost of ferry fares and fees during a mileage-rated move.
29. Tariff 15-A, Item 215, which specifies when a household goods carrier must charge for using commercial ferries during hourly-rated moves.
30. Tariff 15-A, Item 220, which specifies when the household goods carrier may charge overtime rates for hourly-rated moves.
31. Tariff 15-A, Item 225, which specifies the rates a household goods carrier may charge for containers.
32. Tariff 15-A, Item 230(4), which requires that on hourly-rated moves, time must be recorded to the nearest increment of 15 minutes and that the carrier must require its employees to record breaks and interruptions.

While this audit gives Neighbors Moving clear and comprehensive technical assistance to comply with state law and Commission rules, Staff recommends that where Neighbors Moving has previously been given technical assistance and the company has continued to violate that same law or rule, a penalty for continuing non-compliance be issued.

Staff finds that the following penalties could be assessed against Neighbors Moving for the following violations:

General Business Rules

1. Staff finds three violations of WAC 480-15-610 for failure of Neighbors Moving to show its permit number on its hourly-rated bill of lading, its letterhead, and its internet website, subject to a penalty of \$300.00.

Estimates

2. Staff finds one violation of WAC 480-15-640 for providing a verbal estimate subject to a penalty of \$100.00.

Bill of Lading Format

3. Staff finds ninety-six violations of WAC 480-15-730 for failure to use an approved bill of lading form subject to a penalty of \$9,600.00.

Bill of Lading Completion

4. Staff finds one hundred and four violations of WAC 480-15-740 and Tariff 15-A, Item 95, for failure to accurately complete the bill of lading to ensure that it shows all the information necessary to determine proper tariff rates and charges subject to a penalty of \$10,400.

Claims and Complaints

5. Staff finds one violation of WAC 480-15-840, failure to number its complaints and claims consecutively subject to a penalty of \$100.00.
6. Staff finds six violations of WAC 480-15-860, failure to record all required information in the company's claims and complaints files subject to a penalty of \$600.00
7. Staff finds one hundred and ninety-nine violations of WAC 480-15-890, failure to respond to Commission-Referred complaints subject to a penalty of \$19,900.00.

Rates and Charges

8. Staff finds ninety-seven violations¹ of the Tariff 15-A, Fuel Charge Supplement No. 2000-1, for failure to correctly calculate the fuel surcharge at no more than 2% of the fuel consuming rates and charges subject to a penalty of \$9,700.00.
9. Staff finds ten violations of Tariff 15-A, Item 220, for failure to provide the customer with a written estimate of the total overtime charges and get the customer's written consent before providing overtime service subject to a penalty of \$1,000.00.
10. Staff finds six violations of Tariff 15-A, charging for additional stops during hourly-rated moves subject to a penalty of \$600.00.
11. Staff finds thirty-nine violations of Tariff 15-A, Item 225, Container Prices, for failure of Neighbors Moving to charge tariff prices for crates, containers and packing materials subject to a penalty of \$3,900.00.
12. Staff finds nine violations of Item 110 of Tariff 15-A for failure of Neighbors Moving to show the proper mileage was used for calculating mileage-rated charges subject to a penalty of \$900.00.
13. Staff finds three violations of Tariff 15-A, Item 155, charging for additional stops outside of the minimum and maximum rate band subject to a penalty of \$300.00.

Total possible penalty = \$57,400.00

¹ Ninety-six violations for hourly-rated bills and one for a mileage-rated bill that indicated a 12% surcharge.

In addition to the rule and statute violations, Staff finds the following recommendations for changes to Neighbors Moving' general business practices and for which previous technical assistance has not been given:

General Business Operations

1. Neighbors Moving must conduct all operations under the name shown on its household goods permit in compliance with WAC 480-15-390.
2. Neighbors Moving must file its annual report and pay its regulatory fee by May 1st of each reporting year.

Estimates

3. Neighbors Moving must provide written estimates that are accurate and in compliance with WAC 480-15-630 through WAC 480-15-700, and Item 85 of Tariff 15-A.

Bill of Lading

4. Neighbors Moving must revise its bill of lading to remove any limitations to the company's liability that are not based on tariff or WAC rules.

Complaints and Claims

5. Neighbors Moving must immediately comply with WAC 480-15-800 and WAC 480-15-810, claim and complaint receipt and resolution.
6. Neighbors Moving must immediately initiate a process that informs the consumer, in writing, of the reason for failure to resolve a claim or complaint in compliance with WAC 480-15-820.
7. Neighbors Moving must initiate a process that ensures claim records are kept for six years in compliance with WAC 480-15-830.
8. Neighbors Moving must advise any shipper that is not satisfied with Neighbors Moving resolution to a complaint or claim of the availability of the Commission for further review. Neighbors Moving must provide the shipper with the Commission's toll-free number and mailing address in compliance with WAC 480-15-870.

9. Neighbors Moving must respond to all written correspondence in compliance with WAC 480-15-880. Staff suggests that the company maintain a correspondence file as evidence that all correspondence has been responded to and in a timely manner.

Storage

10. Neighbors Moving must conduct all storage operations in compliance with Item 100 of Tariff 15-A.
11. Neighbors Moving must ensure it complies with the provisions of Tariff 15-A, Item 101, Storage-In-Vehicle.

Rates and Charges

12. Neighbors Moving must record all start times, stop times, and interruptions in compliance with WAC 480-15-740.
13. Neighbors Moving must cease charging Piano and Organ Handling Charges during hourly-rated moves.
14. Neighbors Moving must conduct all operations in compliance with Item 215 of Tariff 15-A, Charges for Using Commercial Ferries and/or Toll Bridges.
15. Neighbors Moving must obtain the tare weight of the vehicle for each mileage-rated move prior to loading the goods for shipment in compliance with WAC 480-15-750.
16. Neighbors Moving must use actual weights during a distance-rated move calculation unless there is no certified scale along the route, in compliance with WAC 480-15-750.
17. Neighbors Moving must cease charging customers for the cost of weight scale charges.
18. Neighbors Moving must cease charging customers a minimum weight that is other than the actual scale weight of the shipment.

19. Neighbors Moving must cease charging extra to move items for which there is no handling or weight additive charges allowed in Item 140 of Tariff 15-A.
20. Neighbors Moving must conduct all operations in compliance with Item 175 Tariff 15-A, Charges for Using Commercial Ferries and Toll Bridges, for mileage-rated moves.
21. Neighbors Moving must complete its bills of lading to adequately show how it calculates its mileage-rated moves in compliance with Item 200, of Tariff 15-A.

Business Practices

22. Neighbors Moving must rewrite its print advertisements to include only those statements that are truthful and can be substantiated.
23. Neighbors Moving must cease its practice of telling and/or charging customers a minimum of two hours for any hourly-rated move that takes place during regular work hours.
24. Neighbors Moving must develop a form to give to its customers that explains the different valuation options and have the customer sign the bill of lading or the estimate, acknowledging the receipt and understanding of this valuation option form.

BACKGROUND

Company Information

Neighbors Moving and Storage of Seattle, LLC, is a limited liability corporation located at 8629 South 208th Street, Unit O, Kent, Washington, 98031. Louis Massaro is President and owns fifty-one percent of the corporate shares. Joseph Tranisi is Vice President and owns forty-nine percent of the shares. Mr. Tranisi indicated on the company's application for registration that he was the applicant and the person responsible for company operations and compliance.

A copy of Neighbors Moving application for registration is included in Appendix B.

Neighbors Moving was granted provisional household goods operating authority (permit) on July 31, 2003. The provisional authority was converted to permanent status as permit HG-61028, under Docket No. TV-031143, on February 18, 2004

Neighbors Moving reported intrastate revenue for 2003 at \$164,947.00. The company showed revenue for 2004 at \$354,293.08 Neighbors Moving has only one terminal located in Kent, Washington.

Background

Neighbors Moving was identified as a possible audit candidate when Business Practices Investigations Section found the company had received four consumer complaints between February 2004 and April 2005 and was issued one-hundred and seven violations during the investigation of those complaints.

AUDIT

Contacts with Company

Consumer Affairs Section Staff contacted Neighbors Moving numerous times while investigating the four consumer complaints filed against Neighbors Moving from February of 2004 through April 2005. In each complaint Staff provided technical assistance to the company and notified the company when it was in violation of state law, Commission rules, or Commission Tariff 15-A. Staff issued a total of one-hundred and seven rule violations from March 2004 through April 2005.

Pages 18 through 99 of this report identify how and when the company was given technical assistance for each statute or Commission rule.

Compliance Audits

As early as May 10, 2003, when the company was still located in Commerce City, Colorado, the Commission's Motor Carrier Law Enforcement Special Investigator Leon Macomber sent Louis Massaro a copy of the Commission's Household Goods Carriers Guide to Compliance and a copy of the Commission's WAC rules and state laws. After the company opened an office in Washington, Investigator Macomber provided the company its first technical assistance visit on September 5, 2003. During that compliance audit, Investigator Macomber met with Joe Tranisi, Vice President, of Neighbors Moving.

Copies of Investigator Macomber's Compliance Review Memorandum and Economic Checklist are included in Appendix C.

Data Requests

On March 28, 2005, Staff sent Neighbors Moving a data request asking for company records and information about the company's policies or processes.

The data request stated, in part:

"Under Washington State law (RCW 81.04.070), the Commission has the right to inspect the accounts, books, papers, and documents of any household goods moving company doing business in this state.

Accordingly, please provide the following information and/or documents:

1. The number of intrastate residential moves performed within Washington State during the last twelve months.
2. For every intrastate residential move performed between October 1, 2004 and January 31, 2005, please provide all supporting documents related to each customer's move, including, but not limited to, the bill of lading, estimate, supplemental estimate, certified scale weight slips, any record that documents the constructive weight of the shipment, inventory records, commercial ferry receipts, and all documents related to storage-in-transit of the goods.
3. A copy of the company's cargo certificate of insurance.
4. A copy of the company's payroll records for the period of January 1, 2005 through January 31, 2005.
5. A complete list of all company vehicles including vehicle type, license plate number or vehicle identification number, and gross weight.
6. A detailed description of the company's policy on releasing goods when the actual charges exceed the estimated charges.
7. A description of the company's policy on deposits or prepayment for services.
8. A detailed description of the company's policy on responding to customers' complaints and claims, including complaints and claims that cannot be settled. Include examples of correspondence or other documentation related to complaint or claim policies.
9. A copy of the company's complaint and claims register, listing all complaints and claims recorded from November 1, 2004 through February 28, 2005, including all documents related to each complaint and claim.

10. A detailed description of the company's policy on responding to Commission-referred customer complaints.
11. Copies of the company's advertising (i.e., yellow page ad, newspaper ad, "Little Nickle" ad).
12. The name of the mileage guide used for mileage-rated moves."

Staff requested that the documents be furnished no later than April 15, 2005. Neighbors Moving asked for an extension to prepare the documents and Staff granted an extension until April 18, 2005. The documents were received on that date.

GENERAL BUSINESS RULES

- Use of Permitted Name
- Annual Report and Regulatory Fees
- Permit Number in Advertising

USE OF PERMITTED NAME

WAC 480-15-390 requires a company to conduct operations under the name shown on its household goods permit. If the company does business under a trade or assumed name, that name must also appear on the permit.

Audit

Neighbors Moving is registered under the corporate name of Neighbors Moving & Storage of Seattle, LLC. This is the name that must be used when conducting all household goods moving operations. Neighbors Moving has not registered a “doing business as” (d/b/a), trade, or assumed name with the Commission.

The company’s letterhead and hourly-rated bill of lading² use the business name of Neighbors Moving & Storage of Seattle. The Dex Directory advertisement and the company’s website uses the name of Neighbors Moving and Storage. Only the company bill of lading for mileage-rated moves lists the correct name of Neighbors Moving & Storage of Seattle, LLC.

Copies of Neighbors Moving bills of lading, letterhead, advertisement, website page, and a complete version of WAC 480-15-390 are included in Appendix D.

Findings

Staff finds that Neighbors Moving conducts operations under different names than the name shown on its household goods permit in violation of WAC 480-15-390.

Staff considers this audit as the company’s technical assistance for WAC 480-15-390. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must conduct all operations under the name shown on its household goods permit in compliance with WAC 480-15-390.

² Neighbors Moving uses two bills of lading. One bill is for mileage-rated moves and the other is a bill of lading for hourly-rated moves only.

ANNUAL REPORT AND REGULATORY FEES

WAC 480-15-480 requires a household goods company to file its annual report and pay its regulatory fee by May 1st of the year following the calendar year on which the company is reporting.

A complete version of WAC 480-15-480 is included in Appendix E.

Audit

The following table shows the date Neighbors Moving paid its regulatory fees and filed its annual report for the reporting years of 2003 and 2004:

Regulatory Year	Date Filed	Revenue Declared
2003	5-5-2004	\$164,947
2004	7-1-2005	\$354,293

Findings

Staff finds that Neighbors Moving failed to file its 2003 and 2004 annual reports by the required due date of May 1 in violation of WAC 480-15-480. Staff considers this audit as the company's technical assistance for WAC 480-15-390. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must file its annual report and pay its regulatory fee by May 1st of each reporting year.

USE OF PERMIT NUMBER IN ADVERTISING

WAC 480-15-610 requires a household goods company include its permit number in any advertising of its moving services. Advertising includes, but is not limited to, reference to services on vehicles, equipment, and in telephone books, internet, contracts, correspondence, cards, signs, posters, newspapers, and documents which show the name and address of the company

A complete version of WAC 480-15-610 is included in Appendix F.

Technical Assistance

In September of 2003, Investigator Macomber noted in his Technical Assistance and Records Review Checklist report that Neighbors Moving did not include its permit number in its advertisements. Investigator Macomber noted two violations of WAC 480-15-610. Staff considers that contact and report to be the company's technical assistance for WAC 480-15-610. The Records Review Checklist was signed by and a copy given to Joe Tranisi on September 5, 2003.

Audit

Staff reviewed the company's two bills of lading, letterhead, DEX telephone book advertising, and the company's website and finds the company does not include its permit number on its hourly-rated bill of lading, the company letterhead, or on its website. The permit number is only included in what the company refers to as its "new yellow page format" and on its mileage-rated bill of lading.

Findings

Staff finds Neighbors Moving is not in compliance with WAC 480-15-610.

Results

Staff finds three violations of WAC 480-15-610 for failure of Neighbors Moving to show its permit number on its hourly-rated bill of lading, its letterhead, and its internet website, subject to a penalty of \$300.00.

ESTIMATES

- Estimates
- Verbal Estimates

ESTIMATES

WAC 480-15-630 - *An estimate is a written approximation of the probable cost of a move prepared in compliance with the provisions of the household goods tariff. Estimates are based on factors such as the van space required, the weight of the household goods, the amount of time needed to complete the move, and the type of special services provided. A household goods company may provide its customer with either of two basic types of estimates, binding or non-binding.*

Copies of WAC 480-15-630 through WAC 480-15-700, and Tariff 15-A, Item 85, are included in Appendix G.

Audit

As part of Staff's data request, Neighbors Moving was asked to provide documents for all household goods moves for the period of October 1, 2004 through January 31, 2005. The company was asked to provide, in addition to the bills of lading, all supporting documents including estimates, supplemental estimates, inventories, etc.

When Staff reviewed the documents submitted by Neighbors Moving and found no estimates, Staff asked Neighbors if it issued estimates.

On April 26, 2005, Neighbors Moving responded:

"In reference to your question about estimates to accompany the Bill of Ladings that were sent to you: Written estimates were not requested by any of those customers. We provide written estimates to any customer that requests one. In all other instances, we provide the customer the appropriate hourly rate for local moves, or # of cents/pound for long distance moves only, and we explain that the final price will be computed based on the rate provided to them."

Findings

While Staff finds it unusual that during four months and one hundred and four moves, not one customer requested an estimate of the costs before the move, Staff has no way of verifying the company's statement as the hourly-rated bill of lading form used by Neighbors Moving does not include the required estimate declaration box³. Customers did, however, note on the nine mileage-rated bills that they did not request an estimate.

Staff considers this audit as the company's technical assistance for WAC 480-15-630 through WAC 480-15-700 and Tariff 15-A, Item 85. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must provide written estimates that are accurate and in compliance with WAC 480-15-630 through WAC 480-15-700, and Item 85 of Tariff 15-A.

³ See: Bill of Lading Format.

VERBAL ESTIMATES

WAC 480-15-640 states that verbal estimates are not allowed. Household goods companies must provide all estimates to prospective shippers in writing.

What if the shipper requests a verbal estimate? You must tell the shipper that verbal estimates are prohibited. However, you may inform the shipper of the applicable legal rates. For example, you may say:

(a) The hourly rate for a van and one person is (state the dollar amount you charge within the tariff range); or,

(b) The rate per one hundred pounds from (origin) to (destination) is (state the dollar amount you charge within the tariff range).

Technical Assistance

In Investigator Macomber's September 2003 summary of his technical assistance contact with Joe Tranisi at Neighbors Moving, he stated "Carrier is aware that verbal estimates can not be given." On the Technical Assistance and Records Review Checklist under "Estimates" where it asks "Is the company aware that verbal estimates are not allowed?", Investigator Macomber marked yes.

Audit

In consumer complaint 87793, the complainant stated the company "provided a verbal quote of \$850". On February 25, 2004, Staff stated "Joe" from Neighbors Moving said the "Company provided a phone quote of roughly \$880 for a 4,000 pound move."

Findings

Staff finds that Neighbors Moving is aware that it may not give verbal estimates for the cost of a move. Staff finds that Neighbors Moving provided a customer a verbal estimate given in complaint 87793, in violation of WAC 480-15-640.

Results

Staff finds one violation of WAC 480-15-640 for providing a verbal estimate subject to a penalty of \$100.00.

BILLS OF LADING – FORMAT

- Bills of Lading
- Bills of Lading - Format

BILLS OF LADING

WAC 480-15-710 *A bill of lading is a shipping document issued by the household goods carrier, signed by both the shipper and the household goods carrier, that establishes the legal contract terms and conditions for the shipment of household goods.*

All household goods carriers must use an approved bill of lading format and complete the bill of lading in a manner that shows all information necessary to determine the proper tariff rates and charges. Any element that is used to determine charges must be clearly shown on the bill of lading.

Neighbors Moving is neither in compliance with the bill of lading format nor does it complete the bill in a manner that complies with Commission rules.

This report section describes why Neighbors' bills of lading are not in the correct format as required by WAC 480-15-730, WAC 480-15-740, and Item 95 of Tariff 15-A, and what Neighbors Moving must change on its bills to comply with the rules.

A copy of Neighbors Moving two bills of lading is included in Appendix D and the complete text of WAC 480-15-710 through WAC 480-15-740, and Item 95 are included in Appendix H.

BILL OF LADING FORMAT

WAC 480-15-730 and the Commission's Tariff 15-A, Item 95, require a household company to use the bill of lading format shown in the Commission's published tariff.

The Commission's Tariff 15-A, Item 95, describes the format that must be used and the contract terms and conditions that must be included on the household goods bill of lading.

Technical Assistance

In Investigator Macomber's September of 2003 Technical Assistance report, it states:

"Bills of Lading have been issued for all 25 moves but they are currently using a Colorado bill of lading form that does not comply with Washington rules and regulations. Mr. Tranisi will be acquiring the appropriate bill of lading forms to be used on future moves."

Staff considers this Neighbors Moving technical assistance that its bills of lading must comply with Washington laws, Commission rules, and Tariff 15-A.

Format - Mileage-Rated Bills of Lading

Neighbors Moving uses two different bills of lading. One bill is used for mileage-rated moves (over 35 miles). The other bill of lading is used exclusively for hourly-rated moves, which are moves conducted at 35 miles or less.

The bill of lading used for mileage-rated moves is a Washington Trucking Association Household Goods Mover's Conference bill of lading format and is in compliance with the household goods rules and Tariff 15-A.

Format – Hourly-Rated Bills of Lading

The bill of lading used by Neighbors Moving for hourly-rated moves is not in compliance with the format shown in Tariff 15-A, Item 95, as required by WAC 480-15-730.

Audit

WAC 480-15-740 and Tariff 15-A, Item 95 (2)(a-p) lists the information that must be included on the Uniform Household Goods Bills of Lading, as follows:

- a. The name, permit number, address, telephone number and fax number (if any) of the household goods carrier;
- b. The name, address and telephone number of the customer;
- c. The name, address and telephone number of the consignee;
- d. The exact location of the origin pickup point, any split pickups, stops to partially load or unload, and the final destination point of the shipment; and
- e. The actual pickup date.

Findings

The format of Neighbors' bill of lading does not include the company's full name (LLC is not included), its permit number, nor its FAX number. The format does not include any areas where split pickups or deliveries are noted.

- f. A declaration of the length of time the shipper wishes property to be stored (permanent storage or storage in transit). The declaration must state as follows:

STORAGE: *If shipment will be placed into storage, the customer must initial option selected:*

_____ *This shipment is to be placed in storage for a period of less than 90 days (storage in transit). I understand that on the 91st day of storage the shipment becomes permanent storage.*

_____ *This shipment is to be placed in storage for more than 90 days (permanent storage).*

_____ *This shipment is to be placed in storage-in-vehicle for a period of not more than _____ days.*

Findings

Staff finds Neighbors' bill of lading does not have any reference to storage, nor the required storage section declaration.

- g. The tariff requires the bill to show if the customer chose to have a written estimate of the cost of the move, and if so, whether it was a binding or non-binding estimate:

The tariff states the following information must be shown on the bill:

ESTIMATES: *The customer must initial option selected:*

_____ *I did not request a written estimate on this shipment and understand I will be required to pay charges shown on this contract.*

_____ *I understand this shipment is moving under a binding estimate and that I will be required to pay the amount shown on that estimate.*

_____ *I understand this shipment is moving under a non-binding estimate. NOTE: If the charges shown on this bill exceed the charges on the non-binding estimate given me by the carrier, the carrier must release the shipment to me upon payment of no more than 110 percent of the estimated charges and will extend credit for 30 days in which I must pay the remainder due. In no case will I be required to pay more than 115 percent of the estimate (plus any supplements) for mileage-rated shipments, nor more than 125 percent of the estimate plus supplements for hourly-rated shipments.*

Findings

Neighbors Moving bill of lading does not reference an estimate, nor does it contain the required estimate declaration box.

- h. The bill of lading must contain the following language regarding the shipper's choice of valuation.

VALUATION: *The customer must initial option selected:*

_____ **Basic value protection.** *I release this shipment to a value of 60 cents per pound per article, with no cost to me for the protection;*

or,

_____ **Depreciated value protection.** *I release this shipment to a value of \$2.00 per pound times the weight of the total shipment; or*

I declare a lump sum total dollar valuation on this entire shipment of:

\$ _____ *and select the following option:*

_____ **Replacement Cost Coverage with a \$300 Deductible.**

Declared value must be at least \$3.50 times the weight of this Shipment.

_____ **Replacement Cost Coverage with no deductible.** *Declared value must be at least \$3.50 times the weight of this shipment.*

Findings

Neighbors Moving bill of lading does not include the required valuation declaration. Neighbors Moving bills include the following reference to valuation:

"VALUATION – HOURLY BASIS

"UNLESS THE SHIPPER EXPRESSLY RELEASES THE SHIPMENT TO A VALUE OF 60 CENTS PER POUND PER ARTICLE, THE CARRIER'S MAXIMUM LIABILITY FOR LOSS AND DAMAGE SHALL BE EITHER THE LUMP SUM VALUE DECLARED BY THE SHIPPER OR \$2500, WHICHEVER IS GREATER. THE SHIPMENT WILL MOVE SUBJECT TO THE RULES AND CONDITIONS OF THE CARRIER'S TARIFF. SHIPPER HEREBY RELEASES THE ENTIRE SHIPMENT TO A VALUE NOT EXCEEDING _____
(TO BE COMPLETED BY PERSON SIGNING BELOW).

Valuation (additional liability) Charge _____
(customer initials)

\$1.00 per \$100.00 of declared value.

\$ _____ Valuation \$750.00 Deductible)

X _____
Shipper Date

Neighbors bill of lading also includes a statement that the customer is required to sign. It states:

"Customer assumes liability for packing, marble, glass, mirrors, lamps, shades, statues, pictures, paints and any other fragile objects. These items will be moved at owners risk, unless packed by company. Company is not responsible for any mechanical or electrical functions of any item or appliance. Not responsible for walls or floors. Not responsible for disassembly or re-assembling of water and platform beds.

SHIPPER X _____

Findings

Neighbors Moving bill of lading does not include the required valuation declaration. The valuation section shown on the bill is incorrect and in violation of the rules regarding carrier liability.

In Tariff 15-A, the required language for carrier liability for the bill of lading states:

“The carrier is liable for physical loss of or damage to, any article from external cause while being packed, unpacked, loaded, unloaded, carried, or held in storage-in-transit, including breakage, if articles are packed by the carrier and/or if the breakage results from negligence of the carrier.”⁴

Neighbors Moving can not selectively state what it will or will not accept liability for by adding statements to its bills of lading.

- j. If the shipment will be rated under hourly rates: (a) the time the vehicle left the carrier’s terminal and the time it returned to the terminal or was released to go to another customer; and (b) The start time, stop time and any interruption for each person involved in or on the shipment.

Findings

Neighbors Moving bills of lading have a “start” and “finish” time; “job hours”, “travel time” and “total hours”.

Neighbors Moving bills do not include any provisions for noting the employees names or identification, nor any break or interruption times for those employees.

- k. The amount and type of any charges assessed. Each charge must be fully described. Example: the number of each type of packing cartons used, the charge per carton, and total charge for each type of carton must be shown.
- l. Each accessorial service performed, and the charge for that service, must be shown as a separate line item on the bill of lading.
- m. Each advance or third party billing charge must be shown on the bill of lading as a separate line item.

⁴ Contract Terms and Conditions of Uniform Household Goods Bill of Lading, Section 1(A).

- n. Any item, reason, or circumstance that entered into the determination of the final charges must be shown as a separate line item. Example: If the carrier was required to travel via other than the regular route between origin and destination due to road closure, this information must be shown on the bill of lading.

Findings

Neighbors bill of lading preprinted format lists improper tariff charges. The hourly-rated bill has a section for cartons, containers, and other packing materials and services. All of the packing materials listed are either shown with a preprinted tariff charge which is higher than the rate band for materials allows (for example, a Twin Mattress Carton shows a \$19.00 charge when the rate band limits the charge to no more than \$10.48), or the material or container item listed is not authorized in the tariff (white paper bundles @\$50.00).

The bill also has other preprinted options on the form that list charges such as "Lg. Screen TV/Safe/Jacuzzi". The following list contains materials or services for which the company billed customers, when no approved tariff rates or charges exist:

- Brown Paper Bundles
 - White Paper Bundles
 - Tape
 - 12% Transportation Surcharge
 - Extra Stops at \$15.00 each (only authorized for mileage-rated moves)
 - Crates and Containers (Small)
 - Crates and Containers (Large)
 - Lg. Screen TV/Safe/Jacuzzi (only authorized for mileage-rated moves)
 - Piano/Organs Charges (only authorized for mileage-rated moves)
- o. A notation that the customer was provided a copy of the brochure "Your Rights and Responsibilities as a Moving Company Customer" or that the customer refused a copy when it was offered.

Findings

Neighbors bill of lading does not include this notation.

- p. The method of payment of total tariff charges. This section of the bill must state:

<p>PAYMENT: The customer agrees to pay charges, at time of delivery, by:</p> <p><input type="checkbox"/> cash <input type="checkbox"/> money order <input type="checkbox"/> certified check <input type="checkbox"/> credit card <input type="checkbox"/> personal check <input type="checkbox"/> business check <input type="checkbox"/> debit card</p> <p>If credit arrangements are made, bill to: Name: _____ Address: _____</p> <p>©Note: If carrier will never accept personal checks or debit cards, those options may be omitted from the section, or replaced with the term "other." (TV-001242)</p>

Findings

Neighbors bill clearly states “Cash Only”, and does not include the required payment choice declaration on the bill. Staff also found that Neighbors also accepts credit cards, money orders, and cashier’s checks as indicated on some bills of lading. These options must also be shown on the bill.

Information That Must be Included on the Back of the Bill of Lading – Tariff 15-A, Item 95(3).

The back of the bill of lading must contain the contract terms and conditions for the shipment of the household goods.

Appendix I contains the full version of the contract terms and conditions for the back of the bill and the incorrect contract terms shown on the back of Neighbors bill of lading.

Findings

The Neighbors Moving bill of lading does not contain the same contract language as required by the Tariff. The contract language on the Neighbors bills does not contain any of the required provisions.

Summary

Staff finds Neighbors Moving' bill of lading form is not in compliance with WAC 480-15-730 which requires companies to use the bill of lading format shown in Item 95 of the Commission's Tariff 15-A. Staff finds that Neighbors was given technical assistance in September of 2003 by Investigator Macomber regarding the use of an approved bill of lading. Neighbors Moving did not comply.

As recently as June 2, 2005, in complaint 89760, Staff stated that the company acknowledged using the incorrect bill of lading:

"As an aside, co. opened up a branch office. Moved from Denver. Took same format [bill of lading] from CO, and used it in WA. Not realizing different rules here. Once learned this, documents are being changed as we speak. He ran everything by himself [Joe] when first started the business. No assistance for awhile."

Clearly, this was twenty months after Investigator Macomber informed the company it could not use a Colorado bill of lading.

Results

Staff finds ninety-six violations of WAC 480-15-730 for failure to use an approved bill of lading form subject to a penalty of \$9,600.00.

BILL OF LADING – COMPLETION

- Bill of Lading Required for each Shipment
- Bill of Lading Information Required
 - Estimate Section
 - Names, Addresses, Phone Numbers
 - Storage Section
 - Rights and Responsibilities Guide
 - Payment Method
 - Valuation
 - Accurate Balance Due

BILL OF LADING – COMPLETION

WAC 480-15-720 and WAC 480-15-740 require household goods companies to issue a bill of lading for each shipment of household goods they transport and to list on the bill of lading all information necessary to determine tariff rates and charges. Any element that is used in determining transportation charges must be clearly shown on the bill of lading.

In addition to a household goods carrier being required to use an approved bill of lading format, the bill must also be properly completed to ensure that it shows all information necessary to determine proper tariff rates and charges. Neighbors Moving does not complete the bill of lading correctly.

Bill of Lading Required for Each Shipment

Companies must issue a bill of lading for each shipment of household goods it moves. Staff has no reason to believe Neighbors Moving does not issue bills for each household goods move it performs.

BILL OF LADING – INFORMATION REQUIRED

Requirements on Bill of lading

A bill of lading must be issued for every household goods move and it must be properly completed to ensure that it shows all information necessary to determine proper tariff rates and charges. Neighbors Moving does not complete the bill of lading correctly or in compliance with Tariff 15-A.

Neighbors Moving uses two kinds of bills of lading. The bill of lading for mileage-rated moves is the current bill format published by the Movers Conference. The bill of lading Neighbors uses for hourly-rated moves is a different form and is not in compliance with either Tariff 15-A or Commission laws and rules.

The requirements for what must be shown on the bill of lading are listed in both WAC 480-15-740 and in Tariff 15-A, Item 95. WAC 480-15-740 lists the type of information that must be shown on the bill, e.g. the date of shipment; number and size of packing containers; the start, stop, and interruption times for the move; and, any special services performed during the move.

Neighbors Moving does not complete its bills of lading in compliance with Commission rules or Tariff 15-A. In spite of technical assistance from Commission Staff, Neighbors Moving has shown a pattern of failing to accurately complete its bills and show all the information necessary on the bill to determine the proper tariff rates and charges.

Technical Assistance

Commission Investigator Leon Macomber first gave Neighbors Moving technical assistance on Commission rules and tariff requirements on September 5, 2003. Investigator Macomber contacted Joe Tranisi regarding a complete economic and terminal safety carrier review (CR) of the household goods moving company operations. During that audit, Investigator Macomber discussed WAC 480-15-740 with Mr. Tranisi. Investigator Macomber's audit memorandum states, in part:

“WAC 480-15-720 - Period of time covered by this record check was from July 31, 2003 thru August 31, 2003 and approximately 25 local hourly moves were performed by Neighbors Moving. Bills of lading have been issued for all 25 moves, but they are currently using a Colorado bill of lading form that does not comply with Washington rules and regulations. Mr. Tranisi will be acquiring the appropriate bill of lading forms.

WAC 480-15-740 – All required information is not on current Colorado bill of lading form.

WAC 480-15-620 – Notice to Shippers “Rights and Responsibilities Guides” have not been handed out. I handed Mr. Tranisi approximately 75 guides to handed out [sic] to each customer and bill of lading must be signed to verify receipt.”

Audit

For this audit, Staff reviewed the bills of lading submitted as part of the consumer complaints filed against Neighbors Moving and the one hundred and four bills of lading sent by Neighbors as part of Staff’s data request for moves conducted between October 1, 2004 and January 31, 2005. The following are the results of the audit by each section on the bill of lading.

Estimate Section – Tariff 15-A, Item 95

A bill of lading must include the following box that requires the customer to indicate (by initialing the form) the type of estimate he or she received prior to the move:

ESTIMATES: The customer must initial option selected:

_____ I did not request a written estimate on this shipment and understand I will be required to pay charges shown on this contract.

_____ I understand this shipment is moving under a binding estimate and that I will be required to pay the amount shown on that estimate.

_____ I understand this shipment is moving under a non-binding estimate.

NOTE: If the charges shown on this bill exceed the charges on the non-binding estimate given me by the carrier, the carrier must release the shipment to me upon payment of no more than 110 percent of the estimated charges and will extend credit for 30 days in which I must pay the remainder due. In no case will I be required to pay more than 115 percent of the estimate (plus any supplements) for mileage-rated shipments, nor more than 125 percent of the estimate plus supplements for hourly-rated shipments.

Findings

The ninety-six bills of lading for hourly-rated moves do not include the required box on the bill of lading that indicates the customer's estimate choice.

Names, Addresses, Phone Numbers

WAC 480-15-740 and Tariff Item 95 require the company to include the customer's name, address, and phone number and the consignee's⁵ name, address, and phone number on the bill of lading. The bill must also include any additional pickup point of the goods, any split pickup or delivery addresses, and the destination address.

Findings

Names

In violation of WAC 480-15-740 and Tariff Item 95, Neighbors Moving does not complete the name of the consignee on the "consigned to" line on either its mileage or hourly bills of lading. Staff considers this audit to be Neighbors Moving technical assistance for WAC 480-15-740 and Tariff Item 95.

⁵ A "consignee" is the person who accepts delivery of the goods at the destination point of the shipment.

Addresses

Staff found eight bills of lading that did not include a complete destination address in violation of WAC 480-15-740(3). Staff considers this audit report as the company's technical assistance for WAC 480-15-740(3).

Telephone Numbers

In consumer complaint 89760, on January 11, 2005, Staff notified Neighbors Moving of its violation of Tariff 15-A, Item 95, and WAC 480-15-730⁶, for failure to list the shipper's telephone number on the bill of lading. Staff considers this violation as the company's technical assistance for listing the shipper's telephone number on the bill of lading.

Staff found that the bills of lading that were completed subsequent to January 11, 2005, had a phone number on the bills. Since Neighbor's bills do not include a space to write the customer phone number, Staff assumes the phone number written in the top margin of the form is the customer's number.

Storage Section

Tariff 15-A, Item 95 and Item 100 require that a customer initial the type of storage option to be used if the customer is placing his or her goods into either storage in transit (SIT) or permanent storage. The carrier must ensure the customer indicates the type of storage by signing or initialing the storage section on the billing of lading.

The bill of lading must include the following information:

<p>STORAGE: If shipment will be placed into storage, the customer must initial option selected.</p> <p>_____ This shipment is to be placed in storage for a period of less than 90 days (storage in transit). I understand that on the 91st day of storage the shipment becomes permanent storage.</p> <p>_____ This shipment is to be placed in storage for more than 90 days (permanent storage).</p> <p>_____ This shipment is to be placed in storage-in-vehicle for a period of not more than _____ days.</p>

⁶ WAC 480-15-730 requires that carriers use the bill of lading format shown in the published tariff.

None of the hourly-rated bills include the storage declaration. Only one of the eight mileage-rated bills of lading indicated the customer's goods would be placed in storage. This bill indicated the customer chose to place its goods in Storage-In-Vehicle. The bill shows "1 days at \$250.00 per day." This is not completed correctly. This customer actually had his goods in storage for three days.

Findings

None of the hourly-rated bills of lading have a storage declaration on the bill. Every one of the ninety-six hourly bills were completed incorrectly and one mileage-rated bill was completed incorrectly in violation of Item 95 of Tariff 15-A.

Rights And Responsibilities Guide

WAC 480-15-740 states that on any shipment where the customer did not receive a written estimate, the household goods moving company must make a notation on the bill of lading that the customer was given a copy of the brochure *Your Rights and Responsibilities as a Moving Company Customer*. The customer must initial on or near the company's notation on the bill of lading, acknowledging receipt of the information.

Technical Assistance

At his technical assistance contact in September of 2003, Investigator Macomber notified Neighbors Moving of the requirement that companies hand out the Rights and Responsibilities Guide to their customers and note on the bill of lading that the requirement has been met.

Findings

On the eight mileage-rated bills of lading Neighbors Moving has the customer initial the form showing the Guide has been given to the customer or the customer has declined a copy. For the remaining ninety-six bills of lading for hourly-rated moves, Neighbors did not obtain a customer signature as the bill has no reference to the Rights and Responsibilities Guide.

As the company was made aware of the requirement of WAC 480-15-740 in September of 2003, Staff finds the company in violation for every bill where the company did not require the customer to properly complete the form.

Payment Method

Tariff 15-A, Item 95(p) requires that the method of payment be shown on the bill of lading. The customer must indicate his or her choice of payment type by initialing that choice on the bill of lading. This ensures that both the customer and the company understand how the customer intends to pay for the move prior to the beginning of the move.

The bill of lading example in Tariff 15-A shows what the payment option box on the bill must include:

<p>Note: The customer must indicate choices made on the items shown below by initialing the appropriate line.</p>
<p>PAYMENT: The customer and carrier agree that payment, at time of delivery, will be made by</p> <p>___ cash ___ money order ___ certified check ___ credit card ___ business check ___ Other: _____</p> <p>If credit arrangements are made, bill to:</p> <p>NAME: _____</p> <p>ADDRESS: _____</p>

If a company does not accept certain methods of payment it may exclude those from the payment box.

Findings

For the mileage-rated bills of lading (eight), four of the bills indicated the customer’s choice of payment. Neighbors hourly-rated bills of lading do not include a payment box at all. The hourly bill does state, however, “Cash Only” and a signature block for the customer to sign. Staff finds this is not in compliance. The company also accepts credit cards, money orders, or cashier’s checks as indicated on some bills of lading.

Valuation

Tariff 15-A, Item 90, requires the company to offer the customer four valuation options which declares the carrier’s liability for the goods that are transported. The bill of lading must contain the following language regarding the shipper’s choice of valuation. The shipper must initial his or her choice to indicate the company has explained the four valuation options to the shipper prior to the goods being placed in the vehicle.

VALUATION: *The customer must initial option selected:*

_____ **Basic value protection.** *I release this shipment to a value of 60 cents per pound per article, with no cost to me for the protection;*
or,

_____ **Depreciated value protection.** *I release this shipment to a value of \$2.00 per pound times the weight of the total shipment; or*
I declare a lump sum total dollar valuation on this entire shipment of:
\$ _____ and select the following option:

_____ **Replacement Cost Coverage with a \$300 Deductible.**
Declared value must be at least \$3.50 times the weight of this Shipment.

_____ **Replacement Cost Coverage with no deductible.** *Declared value must be at least \$3.50 times the weight of this shipment.*

Findings

Neighbors Moving hourly bills of lading do not include the required valuation declaration. Neighbors Moving bills only include the following reference to valuation:

“VALUATION – HOURLY BASIS

“UNLESS THE SHIPPER EXPRESSLY RELEASES THE SHIPMENT TO A VALUE OF 60 CENTS PER POUND PER ARTICLE, THE CARRIER’S MAXIMUM LIABILITY FOR LOSS AND DAMAGE SHALL BE EITHER THE LUMP SUM VALUE DECLARED BY THE SHIPPER OR \$2500, WHICHEVER IS GREATER. THE SHIPMENT WILL MOVE SUBJECT TO THE RULES AND CONDITIONS OF THE CARRIER’S TARIFF. SHIPPER HEREBY RELEASES THE ENTIRE SHIPMENT TO A VALUE NOT EXCEEDING _____ (TO BE COMPLETED BY PERSON SIGNING BELOW).

Valuation (additional liability) Charge _____
(customer initials)

\$1.00 per \$100.00 of declared value.

\$ _____ Valuation \$750.00 Deductible)

X _____
Shipper Date

Neighbors bill of lading also includes a statement that the customer is required to sign. It states:

“Customer assumes liability for packing, marble, glass, mirrors, lamps, shades, statues, pictures, paints and any other fragile objects. These items will be moved at owners risk, unless packed by company. Company is not responsible for any mechanical or electrical functions of any item or appliance. Not responsible for walls or floors. Not responsible for disassembly or re-assembling of water and platform beds.

SHIPPER _____

Neighbors Moving bill of lading does not include the required valuation declaration. The valuation section shown on the bill is incorrect and in violation of the rules regarding carrier liability. There is no indication that Neighbors offers the required options to the shipper.

Accurate Balance Due

Staff found that in reviewing Neighbors bills of lading, the total amount due from the customer (balance due) shown on the bill was not the same as the total of the individual charges listed on the bill. In most cases, there were no individual charges listed, just a total.

Staff finds that basic business practices require that the balance due on a bill must equal the sum of the individual charges and that all individual charges must be shown. This practice is not specific to only the household goods moving industry, but any business.

Findings

All of the one hundred and four bills of lading failed to show how the total charges were calculated, or listed the separate charges that made up the total, in violation of Tariff 15-A, Item 95 and WAC 480-15-740.

Results

Staff finds one hundred and four violations of WAC 480-15-740 and Tariff 15-A, Item 95, for failure to accurately complete the bill of lading to ensure that it shows all the information necessary to determine proper tariff rates and charges subject to a penalty of \$10,400.

CLAIMS AND COMPLAINTS – CONSUMER

- Customer Complaint or Claim
- Receipt of Complaint or Claim
- Claim Resolution within 120 Days
- Complaint and Claim Records
- Order of Complaint and Claim Records
- Commission Referrals
- Response to Written Correspondence, Complaints and Claims

CLAIMS AND COMPLAINTS - CONSUMER

Household Goods companies must respond to claims and two types of complaints, those filed by consumers directly with the company and those complaints that are filed with the Commission's Consumer Affairs Section and referred to the companies for response. Commission rules have very specific requirements for how consumer complaints or claims must be processed and how companies must respond to Commission-referred complaints.

For purposes of this audit, the consumer complaint rules will be addressed separately from the Commission-referred complaint rules.

WAC 480-15-800 through WAC 480-15-880 specify the rules companies must follow when processing consumer complaints that are sent directly to the company:

WAC 480-15-800 requires a household goods company to allow a shipper to speak with someone at the company if he or she is not satisfied with the company's service. The company must provide all the information and forms necessary to file a claim or complaint with the company. The company must allow the customer up to nine months to file a claim.

WAC 480-15-810 requires the company, upon receipt of a complaint or claim, to notify the customer within ten days that the complaint or claim has been received. The company must investigate the complaints or claims quickly, advise the shipper of the resolution, and pay, refuse the claim, or make a compromise offer within one hundred and twenty days of the date of the claim.

WAC 480-15-820 requires the company to inform the shipper every sixty days why the claim hasn't been resolved, if the claim is not resolved within the first one hundred and twenty days.

WAC 480-15-830 states that companies must keep all claim records for six years and complaint records for three years after resolution.

WAC 480-15-840 informs the company that all complaints and claims must be consecutively numbered and are subject to Commission review.

WAC 480-15-860⁷ informs the company what information must be maintained in the complaint or claims records. That information includes: the date the claim or complaint was received; the name, address, and telephone number of the shipper; detailed information about the disputed details of any action you have taken in response to the claim or complaint; and the date the claim or complaint was resolved and a description of the final disposition.

WAC 480-15-870 tells the company that if it is unable to satisfy the shipper's dispute, it must advise the shipper of the availability of the commission for further review of the complaint or claim.

WAC 480-15-880 simply tells the company that it must acknowledge all of its customers' correspondence.

Tariff 15-A, the Household Goods Tariff, also lists specific rules regarding the processing of claims in Item 75.

The complete texts of WAC 480-15-800 through WAC 480-15-880, and Tariff 15-A, Item 75, are included in Appendix J.

Data Request

On March 28, 2005, Staff sent Neighbors Moving a data request asking for company records and information about the company's policies or processes regarding consumer complaints and damage claims. Staff asked the company to provide:

- "A detailed description of the company's policy on responding to customers' complaints and claims, including complaints and claims that cannot be settled. Include examples of correspondence or other documentation related to complaint or claim policies.
- A copy of the company's complaint and claims register, listing all complaints and claims recorded from November 1, 2004 through February 28, 2005, including all documents related to each complaint and claim.
- A detailed description of the company's policy on responding to Commission-referred customer complaints."

On April 12, 2005, Neighbors Moving responded:

⁷ WAC 480-15-850 states how to process claims when more than one carrier is involved.

“Response to complaints or claims: We require that all complaints or claims be submitted to our office in writing within 9 months of the date of the move. We respond to all complaints and claims within 10 business days of receipt of written notice. In the instance of a claim, we send a claim form within the 10 day window to the client (example of claims form enclosed), and respond via mail or phone upon receipt of correctly filled out claim form. We do everything within our power to settle any and every claim, in a way that is amicable to both the customer and Neighbors Moving and Storage.

Claim register enclosed.

Response to Commission referred complaints will be made within 10 days of receipt. We realize that because of confusion on our part, we have not met these criteria on all correspondence from the WUTC, however we are 100% willing to move forward with resolving any and all open complaints and wish to comply with all requirements that the WUTC has, pertaining to Household Goods carriers in the State of Washington.”

Audit

To determine if Neighbors Moving complies with WAC rules 480-15-800 through 480-15-880 and Tariff 15-A, Item 75, Staff reviewed Neighbors Moving data request responses, the claim files Neighbors Moving sent to Staff, and the four consumer complaints received in the Commission’s Consumer Affairs Section.

The Commission’s role in consumer complaints or damage claims is not to determine whether a claim is legitimate or justified, but only to ensure companies follow the claim process according to the Commission’s rules. Staff found that Neighbors Moving, in general, misleads its customers regarding claims by giving the customer information before the move takes place that appears to lessen the company’s liability for damaged or lost goods. Staff is unable to determine if, when a complaint or claim is filed, Neighbors Moving makes a good faith effort to resolve the complaint as Neighbors failed to provide any documentation from its claims or complaint files.

Company Liability

Neighbors bill of lading is in violation of the tariff rules regarding the company's level of liability.

The Neighbors Moving bill of lading states, in part:

Unless the shipper expressly releases the shipment to a value of 60 cents per pound per article, the carrier's maximum liability for loss and damage shall be either the lump sum value declared by the shipper or \$2500, whichever is greater.

The shipment will move subject to the rules and conditions of the carrier's tariff, shipper hereby releases the entire shipment to a value not exceeding...

(To be completed by Person Signing below).

Valuation (additional liability) Charge _____
Customer Initials

\$1.00 per \$100.00 of declared value
\$ _____ Valuation \$750 Deductible

Shipper _____ Date _____

Ninety-four of the ninety six hourly-rated bills of lading indicated a valuation of \$.60 per pound per article. The other two bills were blank. Neighbors cannot limit its liability to \$2500, nor can it apply an arbitrary \$750 deductible. Neither one of these options are listed in Commission rules or Tariff 15-A.

It appears that while Neighbors fills in the "60 cents per pound per article" the company does, however, require the customer to sign this statement showing approval of the amount.

At the beginning of a move, Neighbors Moving also asks the customer to sign an addendum to the bill of lading which attempts to limit the company's responsibility or liability during the move.

The addendum states, in part:

- "I hereby release Neighbors Moving & Storage of Seattle of any and all responsibility in the handling and transportation of all uncrated mirrors, marble, pictures, glass tops, lamps or lamp shades, box spring mattresses, all other unpacked fragile items, plastic covers from cracking or tearing, all breakables packed in cartons by customer, all electrical and mechanical appliances, i.e. refrigerator, television, stereo, washing machine, dryer etc..."

The only statement in this paragraph that is found in tariff language is that the company is not liable for items packed in cartons by the customer.

- "I understand that the mover in attempting to get a piece of furniture into an area that said piece has difficulty entering or exiting from is not insured. This said piece or pieces and the property damage that may incur is not insured in this event..."

Property damage is not covered under the valuation liability in Tariff 15-A. A company can't, however, damage the household goods when placing the goods in the customer's residence, then claim the goods aren't covered because they attempted to place the goods in an area that caused the damage.

- "The company shall not be liable for the loss or destruction or damage to the goods tendered hereunder or any part thereof unless claim is made in writing supported by a paid delivery bill, and filed with company within sixty (60) days after the date the goods are delivered or demand thereof is refused, in the event that the carrier or carrier(s) liable party/parties pays a claim for a total loss of property of item(s), then carrier is entitled to ownership and possession of said item(s), including if a total loss is released at sixty(60) cents per pound per article. All inquiries and complaints shall be directed to the address and phone number listed on the bill of lading. The shipper will be responsible for toll calls pertaining to inquiries and complaints."

This paragraph is in direct violation of WAC 480-15-800 that states a customer has nine months from the date of delivery to file a claim for loss and damage.

Staff finds the company's bill of lading and this form are at the least deceptive and misleading, and in some cases, in violation of Commission rules.

Findings

While Staff understands that, within the constraints of laws and rules, a company has the right to limit its liability for damages that may occur during the household goods moves, the company cannot mislead or deceive its customers into believing it has less liability than the laws or rules allow.

Recommendation

Neighbors Moving must revise its bill of lading to remove any limitations to the company's liability that are not based on tariff or WAC rules.

Receipt of Complaints or Claims

WAC 480-15-800 and WAC 480-15-810 state that if a customer is not satisfied with the carrier's service, the carrier must allow the customer to speak with a representative of the company and must provide the customer with all information and forms necessary to file a complaint or claim. In addition, if the customer files a complaint or claim, the carrier must:

- (1) Notify the customer, in writing, within ten working days that you have received the claim or complaint;*
- (2) Investigate the claim or complaint quickly;*
- (3) Advise the customer of the resolution; and*
- (4) If it is a loss or damage claim, pay the claim, refuse the claim, or make a compromise offer within one hundred twenty days.*

Audit

Staff reviewed the four consumer complaints filed with the Commission against Neighbors Moving, and the "Type of Correspondence" log sent by Neighbors Moving in response to Staff's data request for the claims register and all documents related to claims from November 1, 2004 through February 28, 2005.

Neighbors' Type of Correspondence Log showed six consumer complaints. Four of the six complaints show that customers filed their complaints with the Better Business Bureau rather than directly with the company. The two remaining complaints indicated the company responded to the complaint within the required ten days. Neighbors did not send copies of its claim or complaint acknowledgment letters or any other documentation from its claim or complaint files, so Staff has no way of verifying the information in the correspondence log.

Findings

Staff considers this audit as the company's technical assistance for WAC 480-15-800 and WAC 480-15-810. Any future violations of these rules will warrant penalty assessments.

Recommendation

Neighbors Moving must immediately comply with WAC 480-15-800 and WAC 480-15-810, claim and complaint receipt and resolution.

Claim Resolution within 120 Days

WAC 480-15-820 states that if the company cannot resolve a loss or damage claim within one hundred twenty days, it must, for each sixty-day period until the claim is settled, inform your shipper, in writing, of the reason for the failure to resolve the claim or clearly state the final offer or denial and close the claim.

Neither Neighbors Moving response to the Commission's data request nor its Type of Correspondence log explain its process for handling claims that are not settled within the first one hundred and twenty days. Staff reviewed Neighbors Moving Correspondence list and did not find any unresolved complaints.

Staff considers this audit as the company's technical assistance for WAC 480-15-820. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must immediately initiate a process that informs the consumer, in writing, of the reason for failure to resolve a claim or complaint in compliance with WAC 480-15-820.

WAC 480-15-830 requires the company to keep all papers relating to claim records for loss or damage, concealed or otherwise, for six years.

Findings

Neighbors Moving did not state in its data request response that it maintains claim records for six years. Staff considers this audit as the company's technical assistance for WAC 480-15-830. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must initiate a process that ensures claim records for kept for six years in compliance with WAC 480-15-830.

Order of Complaint and Claim Records

WAC 480-15-840 states that complaint or claim records are subject to commission review. Companies must number all complaints and claims consecutively and maintain a complaint and claims register.

Technical Assistance

In September of 2003, Investigator Macomber noted in his investigation memorandum:

"WAC 480-15-800-870 – Carrier did not have a claims register so I handed Mr. Tranisi appropriate register forms and we discussed the various requirements of maintaining an appropriate register and handling claims were also discussed and proper forms were handed-out."

On Investigator Macomber's Household Goods Technical Assistance and Records Review Checklist, in answer to the checklist question "Does the carrier maintain a Complaints and Claims Register?", Investigator Macomber marked the "no" box and noted one violation.

Findings

The company did not set up a claims register. The "claims register" that Neighbors Moving sent to Staff as part of its response to Staff's data request (Type of Correspondence log), does not have the complaints or claims consecutively numbered.

Results

Staff finds one violation of WAC 480-15-840, failure to number its complaints and claims consecutively subject to a penalty of \$100.00.

Complaint and Claim Information Required

WAC 480-15-860⁸ states that household goods companies must include the following information in a claim or complaint record:

- (1) The date the claim or complaint was received;*
- (2) The name, address, and telephone number of the shipper;*
- (3) Detailed information about the dispute;*
- (4) Details of any action taken in response to the claim or complaint; and*
- (5) The date the claim or complaint was resolved and a description of the final disposition.*

Technical Assistance

Investigator Macomber noted in September of 2003 that the company did not maintain a Complaint and Claims register. The Technical Assistance Checklist, a copy of which was given to Joe Tranisi, lists the complaint and claims requirements. Staff finds that this is sufficient technical assistance, along with the forms given to the company at the time of the technical assistance, for the company to comply with this rule.

Audit

From the Type of Correspondence log that Neighbors Moving sent as part of its response to Staff Data Request, Staff finds Neighbors does not maintain complete information in its claim or complaint records.

From the documentation Neighbors Moving submitted, Neighbors Moving does not keep records on the following:

- (2) Address and telephone number of the shipper.
- (3) Detailed information about the dispute.
- (4) Details of any action taken in response to the claim or complaint.
- (5) The date the claim or complaint was resolved and a description of the final disposition.

⁸ WAC 480-15-850 states how to process claims when more than one carrier is involved. Staff did not audit for compliance with this WAC since none of the moves made within the audit period involved any carrier other than Neighbors Moving.

Findings

Staff finds that Neighbors Moving is not in compliance with WAC 480-15-860 for the six claims shown in the company's Type of Correspondence log. The company does not keep detailed information on the actions taken or claim resolution for each claim record.

Results

Staff finds six violations of WAC 480-15-860, failure to record all required information in the company's claims and complaints files subject to a penalty of \$600.00

Commission Referrals

WAC 480-15-870 states that if the company is unable to satisfy the shipper's dispute, it must advise the shipper of the availability of the commission for further review. The company must provide the shipper with the commission's toll-free number and mailing address.

Findings

Neighbors Moving was asked as part of the Commission's data request to give a detailed description of the company's policy on responding to customers' complaints and claims, including complaints and claims that cannot be settled. Neighbors Moving did not state that it referred customers to the Commission for complaint resolution. Staff considers this audit to be the company's technical assistance for WAC 480-15-870. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must advise any shipper that is not satisfied with Neighbors Moving resolution to a complaint or claim of the availability of the Commission for further review. Neighbors Moving must provide the shipper with the Commission's toll-free number and mailing address in compliance with WAC 480-15-870.

Response to Correspondence, Complaints and Claims

WAC 480-15-880 states that companies must acknowledge and consider all written correspondence, complaints and claims.

Findings

In response to the Commission’s data request, Neighbors Moving stated that it responds to all complaints and claims within 10 business days of receipt of written notice. The company does not state if it responds to other correspondence within the required timeline stated in the WAC. Staff considers this audit to be the company’s technical assistance for WAC 480-15-880. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must respond to all written correspondence in compliance with WAC 480-15-880. Staff suggests that the company maintain a correspondence file as evidence that all correspondence has been responded to and in a timely manner.

COMMISSION-REFERRED COMPLAINT REQUIREMENTS

- Commission-REFERRED Complaints

COMMISSION REFERRED COMPLAINT REQUIREMENTS

WAC 480-15-890 states that if the Commission refers a customer complaint to a household goods company, it must:

(1) Respond with complete investigation results within five business days. However, small businesses, as defined in WAC 480-15-020, must respond within ten business days. In addition, any person may request and commission staff may grant, if warranted, an extension of time for a specific number of days;

(2) Respond to commission staff inquiries regarding the complaint; and

(3) Keep the commission currently informed of any progress made in resolving the complaint.

When a consumer files a complaint with the Commission about a household goods moving company, Staff forwards a summary of the complaint to the company for response. The company is obligated, by rule, to respond to Staff within ten business days⁹ and to make a good faith effort to work with Commission Staff to resolve the complaint.

Neighbors Moving is not in compliance with the rules for Commission-referred complaints. Neighbors Moving consistently failed to respond to Staff within the required ten days, and it consistently failed to answer Staff's questions completely or accurately.

Audit

As part of the Commission's data request, Neighbors Moving was asked to provide:

"A detailed description of the company's policy on responding to Commission-referred customer complaints."

Neighbors Moving stated in its response dated April 12, 2005:

"Response to Commission referred complaints will be made within 10 days of receipt. We realize that because of confusion on our part, we have not met these criteria on all correspondence from the WUTC, however we are 100% willing to move forward with resolving any and all open complaints and wish to comply with all requirements the WUTC has, pertaining to Household Goods carriers in the State of Washington." "

⁹ A company must respond within 5 days if the company has more than fifty employees.

Neighbors Moving has been in violation of this rule throughout this audit period and continues to violate the rule in spite of repeated technical assistance from Commission Staff and receipt of on-going violations. Neighbors Moving has been in violation of WAC 480-15-890 in one hundred and ninety-nine instances between March of 2004 and the end of May of 2005.

Staff finds that Neighbors Moving even failed to respond to Staff more than once in the same complaint.

After review of the consumer complaints for this audit, Staff finds a total of one hundred and ninety-nine violations for failure to respond to Commission-referred complaints within the time frame required by the rule. Staff used a ten-day time frame for response calculations whether the response was to the initial complaint information request, or in subsequent Staff requests for information¹⁰.

As early as February 18, 2004, Consumer Affairs Staff notified Neighbors Moving of the requirement to respond to Commission-referred complaint 87793 within ten days. Staff stated:

“Please respond to this complaint

WAC 480-15-890 What must I do if the commission refers a complaint to me? You must:

- (1) Respond with complete investigation results within five business days. However, small businesses, as defined in WAC 480-15-020, must respond within ten business days. In addition, any person may request and commission staff may grant, if warranted, an extension of time for a specific number of days;
- (2) Respond to commission staff inquiries regarding the complaint; and
- (3) Keep the commission currently informed of any progress made in resolving the complaint

If you have questions, please feel free to contact me. Thank you.”

¹⁰ WAC 480-15 does not include a specific timeframe in which the company must respond to follow-up questions from Staff, except that the company must respond.

The following chart shows the response requests, follow-up emails, letters, FAX copies of complaint or questions, and notice of violations sent to Neighbors in an attempt to get a response from the company.

Complaint Number	Date of Request	Due Date	Company Response Date	Number of Days Late
87793	3-9-04 confirm refund 3-15 reminder 3-23 reminder	3-23-2004	3-26	3 days
89760	6-25-04 complaint 7-6 email 7-9 Fax 7-13 email 7-21email 7-28 email 7-29 FAX 8-3 violation 8-11email 8-17email 8-19 letter 9-10 violation 9-20 violation	7-12	9-22	51 days
	9-30 findings/information 11-5 letter	10-14	11- 12 requested additional time until 12-2	21 days
	12-3 email 12-9 violations	12-2	12-10	6 days
	12-10 phone questions 12-16 email 12-22 email	12-15	12-23 Requested addn time until 1-7	6 days

	1-11-05 FAX findings refund 1-19 email refund 1-27 violation 2-3 email	1-25	2-3	7 days
91181	10-1-2004 complaint sent 10-21 letter 11-12 letter 12-3 email 12-8 violation 12-16 email violation 1-7-2005	10-15	12-23 promised response by 1-7) 1-7	57 days
	2-25 questions 3-3 email 3-8 email 3-11 violations 3-17 violations 3-31 violations 4-8 email violations 4-15 Fax ?'s 4-28 email violations	3-11	5-4	38 days
93182	5-3- questions 5-25 email	5-17	May 30 company said they hadn't seen questions	10 days (thru May 31)
Total Number of Violations				199

Findings

Each of the response violations noted in the complaints was done with Neighbors Moving' full knowledge that not responding within the ten-day rule requirements would subject the company to violations. It does not appear that Neighbors Moving has taken sufficient measures to comply with this rule, even after its April 12, 2005, response where it stated it would.

Staff finds Neighbors Moving failed to comply with WAC 480-15-890, one hundred and ninety-nine times during this audit period.

Results

Staff finds one hundred and ninety-nine violations of WAC 480-15-890, failure to respond to Commission-Referred complaints subject to a penalty of \$19,900.00.

RATES and CHARGES

- Fuel Surcharge Supplement
- Warehouse Storage
- Storage in Vehicle
- Start Times, Stop Times and Interruptions
- Hourly-Rated Moves
 - Piano and Organ Handling Charges
 - Overtime
 - Additional Stops
 - Crates, Containers and Packing Materials
- Mileage-Rated Moves
 - Mileage
 - Weight of Shipment
 - Scale Fees
 - Weight Minimums
 - Bulky Articles
 - Additional Stops
 - Ferry Charges
 - Mileage Rates

RATES AND CHARGES

Bills of lading must be complete and list all of the information necessary to determine the proper rates and charges for the move. If the information is incomplete, inaccurate, or not calculated correctly, the company cannot properly bill for the cost of the move.

There are a number of different rates and charges that make up the total bill for a household goods move. The following are specific tariffed rate or charge categories that must be accurately calculated on the bill of lading.

Staff finds Neighbors Moving does not complete its bills of lading nor does it properly calculate rates and charges on its bills of lading.

GENERAL TARIFF RATES AND CHARGES

Fuel Surcharge Supplement

Tariff 15-A includes a Fuel Surcharge Supplement that has been in effect since February 1, 2000. The Supplement states, in part:

“On and after the effective date of this tariff supplement, rates, and charges of this tariff may be increased by up to two percent (2%).

The Commission recognizes that:

- Fuel prices change rapidly and those changes may adversely impact the earnings of some household goods carriers;
- Fuel prices rise at different levels in various geographical areas of the state;
- Fuel-to-revenue ratios may be different for various companies; and
- The need for fuel surcharges may differ from company to company due to the various factors named.

As such the Commission authorizes individual household goods carriers to analyze their own fuel surcharge supplement needs, and then assess any surcharge amount, up to two percent (including 0%)¹¹, based on the company’s operational needs.

In applying the increases provided for under this supplement, first determine the total charges otherwise applicable, and then increase that amount by the chosen fuel surcharge amount.

Note: The provisions of this supplement do not apply on non-fuel consuming accessorial rates and charges such as extra labor, delay time and so on.”

Companies may apply the fuel surcharge based on the rate the company charges for the truck and driver only, not the entire cost of the move.

Audit

Neighbors June 2004 bill of lading in complaint 89760, stated “2% Transportation Surcharge in Addition to Hourly Rate”.

¹¹ Additional surcharge percentage amounts may be added to the 2% Fuel Supplement in accordance with the Fuel Supplement Monthly Increases approved by Commission order.

When Staff reviewed the bills of lading Neighbors Moving submitted as part of Staff's data request for the months of October 2004 through January 2005, Staff found that Neighbors chose to change its hourly-rated bills of lading form to reflect a preprinted 12% fuel surcharge percentage. Staff does not know when the company chose to change its form, but Staff found all of the ninety-six hourly-rated bills Staff reviewed stated:

"12% Transportation Surcharge in Addition to Hourly Rate".

Staff finds that Neighbors was aware of the 2% surcharge amount, and chose to charge more than the allowed percentage.

Findings

In reviewing the hourly-rated bills, it appears that Neighbors Moving charged the 12% fuel surcharge for all of the moves it performed during the months audited.

For the eight mileage-rated moves reviewed, Staff found that Neighbors only charged a 12% fuel surcharge on one of its moves.

Results

Staff finds ninety-seven violations¹² of the Tariff 15-A, Fuel Charge Supplement No. 2000-1, for failure to correctly calculate the fuel surcharge at no more than 2% of the fuel consuming rates and charges subject to a penalty of \$9,700.00.

¹² Ninety-six violations for hourly-rated bills and one for a mileage-rated bill that indicated a 12% surcharge.

Warehouse Storage

Item 100 of Tariff 15-A states that a customer must indicate on the bill of lading if his or her goods are being placed into storage (temporary or permanent).

When goods are placed in storage-in-transit, the carrier must also:

- Maintain an inventory of the items placed into storage;
- charge the customer tariffed rates for each one hundred pounds of goods placed into storage for each thirty-day period;
- charge for valuation for the stored goods; and,
- charge for warehouse handling-in charges (optional).

Staff finds that Neighbors Moving is not in compliance with the storage requirements of Item 100.

Audit

Bill of Lading

Neighbors bill of lading does not include the required declaration box for the customer to indicate his or her storage choice. See: Bill of Lading Format section of this report.

Storage Inventory

Staff found only one complaint that included reference to storage-in-transit.

Neighbors submitted as part of that complaint an inventory of the goods placed in storage. Staff believes that Neighbors is in compliance with providing an inventory for goods placed into temporary storage.

Tariff Rates and Charges

Storage rates and charges are stated in Item 100 of Tariff 15-A:

B. Charges for Storage-In-Transit

Service	Rate to be charged per 100 pounds stored		Minimum charge	
	Minimum	Maximum	Minimum	Maximum
For each 30-day period goods remain in storage	\$0.96	\$1.60	\$4.82	\$8.03
Warehouse handling in	\$0.87	\$1.45	\$4.35	\$7.25
Warehouse handling out	\$0.87	\$1.45	\$4.35	\$7.25

Storage charges must be calculated on each 100 pounds of goods stored. Staff found that in complaint 89760, Neighbors Moving charged the customer \$55.00 per vault per month for storage. The storage contract also states the minimum storage charge is three months.

On September 30, 2004, Staff sent a letter to Neighbors Moving which stated, in part:

[Provide] "Reference to rules or tariff that allows company to charge 3 months minimum SIT. Tariff 15-A, Item 100B allows company to charge monthly for up to 3 months SIT. Please show calculation of charges. Tariff allows charge by weight..."

Neighbors Moving stated that it calculated the storage charges based on the constructive weight of the items placed in the vaults¹³. On May 17, 2005, Staff informed Neighbors that it must calculate storage rates based on weight of the goods, not the constructive weight based on the size of the vaults. Staff's e-mail to Joe Tranisi stated:

"Joe Tranisi - I discussed the constructive weight charge with staff. Staff has taken the position that constructive weight can only be used by using the cubic foot of a properly loaded vehicle. The use of vaults for determining constructive weight is NOT allowed.

¹³ Vault size is 7'x5'x7.5' times 7 pounds per cubic foot of space.

I have recorded a violation of Tariff 15-A; Item 120; pag 46: The minimum charge for any shipment will be calculated on a weight of 7 pounds per cubic foot of properly loaded vehicle space used. Both the minimum charge weight and the actual weight must be shown on the bill of lading.”

Storage Valuation

Item 90 of Tariff 15-A requires that the fees for valuation, while goods are in storage-in-transit, be based on a percentage of the amount the customer paid for the transportation valuation.

The storage contract Neighbors Moving uses states, in part:

“The Consumer (shipper) is required to declare in writing the released value of the property. The agreed or declared value of the property is hereby specifically stated by the Consumer (shipper) to be NOT exceeding 60 cents (60¢) per pound per article up to a maximum of \$2,000 unless specifically excepted. The Consumer (shipper) hereby declares valuations in excess of 60 cents (60¢) per pound per article on the following articles:

Rate for excess valuation \$1.00 (dollar) per \$100 per month.”

Neighbors Moving cannot require a separate valuation declaration for storage-in-transit, nor can it require the customer to value individual items. The valuation must be the same as the valuation chosen during the transportation portion of the move. The charges for the valuation storage are also based on the valuation cost during transportation.

Handling Charges

Staff does not know if Neighbors Moving bills for handling-in charges. There is no reference on the bill of lading nor is there any reference on the storage contract for handling charges.

Findings

Staff considers this audit as the company’s technical assistance for Item 100 of Tariff 15-A. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must conduct all storage operations in compliance with Item 100 of Tariff 15-A.

Storage In Vehicle

Tariff 15-A, Item 101, states that a customer's goods may be placed or remain in the company's vehicle instead of being placed in a warehouse for storage. Item 101 specifically states how this service must be provided, and the charges that apply.

A complete text of Item 101 is included in Appendix K.

Audit

A bill of lading, dated November 2, 2004, listed a \$250 storage-in-vehicle charge for one day. The customer initialed the storage-in-vehicle option, however, the \$250.00 charge is higher than the approved rate band charges of between \$64.36 and \$107.27 for twenty-four hours. The company responded that the storage was for three days not one. Staff finds the bill of lading was incorrectly completed, or the company charged outside of the approved rate band.

Findings

Neighbors Moving is not in compliance with Item 101 of Tariff 15-A. Either Neighbors Moving did not charge the correct rate for storage-in-vehicle, or it did not record the storage-in-vehicle option correctly on the bill.

This audit is considered Neighbors Moving' technical assistance for Item 101. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must ensure it complies with the provisions of Tariff 15-A, Item 101, Storage-In-Vehicle.

Start Times, Stop Times and Interruptions

Household goods companies must record on the bill of lading the number of hours the company took to move a customer's goods. The time begins when the company leaves its terminal (or previous move location) until the time it returns to its terminal (or is dispatched to another move), excluding all time when there is a break in the service (interruptions). An example of an interruption is an employee's meal break.

The bill of lading must show the start and stop times for the move as a whole, and any interruptions. The bill of lading must also show the start, stop, and interruption times for each employee who worked on the move. However, when it is not practical to record all the employees' times and breaks on the bill of lading, the company may keep the employee time and meal or rest period hours in a separate set of records.

The purpose of this rule is to ensure the customer is accurately billed for the correct number of hours the company worked.

WAC 480-15-740 states, in part:

"...Any element that you use in determining transportation charges must be shown on the bill of lading. This information includes, but is not limited to:

(7) The start time, stop time, and any interruptions for each person involved in or on a shipment rated under hourly rates:

(a) In lieu of recording each person's start time, stop time, and interruptions on the bill of lading, a carrier may maintain a separate, but complete, record of each person's activities in sufficient detail to verify the proper rates and charges.

(b) A carrier must be able to identify, through payroll records, each person involved in a move and provide that information to commission staff on request.

(c) In all cases a carrier must record on the bill of lading the start time and stop time of any hourly rated move, and any interruptions in service;"

Staff finds:

- Neighbors Moving' bills of lading do not include start times, stop times, and interruptions for the individual employees involved in a move;
- Neighbors Moving does not have payroll records for each person involved in its moves; and,
- Neighbors Moving does not record on the bill of lading accurate start and stop times and any interruptions of service for the move as a whole.

Employee Hours and Interruptions

Household goods carriers must record:

WAC 480-15-740(7) The start time, stop time, and any interruptions for each person involved in or on a shipment rated under hourly rates:

(a) In lieu of recording each person's start time, stop time, and interruptions on the bill of lading, a carrier may maintain a separate, but complete, record of each person's activities in sufficient detail to verify the proper rates and charges.

(b) A carrier must be able to identify, through payroll records, each person involved in a move and provide that information to commission staff on request.

Technical Assistance

In September 2003, Investigator Macomber noted on his Household Goods Technical Assistance and Records Review Checklist in answer to the question "Does the carrier accurately record start and stop times on the bill of lading for each job?", he answered "yes". Staff finds that Neighbors Moving knew how to record the proper hours for each person's activities.

Audit

Staff reviewed ninety-six bills of lading for hourly-rated moves. None of the bills of lading include the names of the individual employees that worked on the move.

In addition, Neighbors Moving does not record each person's start time, stop time and interruptions on the bill of lading. To determine if the company kept a separate record of each person's activities in compliance with (a) and (b) above, on May 2, 2005, Staff sent Neighbors Moving an email which stated, in part:

“Please FAX me copies of your payroll records for the period of January 1 through January 31, 2005, which provide the names and pay records for each employee involved in the moves for January as required by (b) above. Note: the previously sent Payroll Records only showed payroll totals not the move details required, e.g. employees on each move, interruption/break times, etc. “

Staff did not receive a response to its request.

Findings

As stated in WAC 480-15-740(7), a company must record individual employees start and stop times and interruptions on either the bill of lading or in lieu of recording the information on the bill it may maintain a separate, but complete, record of each person's activities in sufficient detail to verify the proper rates and charges. Neighbors Moving has not shown Staff it is doing either.

Start Times, Stop Times, and Interruptions for Move

WAC 480-15-740(7) states:

(c) In all cases a carrier must record on the bill of lading the start time and stop time of any hourly rated move, and any interruptions in service.

Audit

This rule requires the company to record the start and stop times and any interruptions for the move as a whole. Of the ninety-six bills that Staff reviewed, Staff found only four of the bills of lading that included any interruption time.

Staff also found the start and finish times recorded on the bills of lading were not accurate. Neighbors Moving records the time the company arrives at the shipper's location and the time at the end of the move, not the portal-to-portal times required. The company does, however, bill for portal-to-portal time. For example, two bills of lading show times as:

Date	Shipper	Start-Finish Times on Bill	Travel time	Billed Hours
11-13	Butler	8:30-1:45 = 5.25 hours	1 hour	6.25 hours
12-11	Van Epps	8:15-4:30 = 8.25 hours	1.5 hours	9.75 hours

Findings

Staff finds that Neighbors Moving does not accurately record start time, stop time, and interruptions on the bills of lading. Staff also finds that Neighbors Moving is aware of the requirement to record interruptions as in the four instances the bill of lading recorded a lunch break.

Additionally, Staff found that even though All My Sons employees worked in excess of five hours straight¹⁴, there were no meal periods or breaks recorded as interruption time. Washington State law requires an employer give breaks to employees for any time worked in excess of five hours¹⁵. As Staff assumes that Neighbors Moving employees took meal breaks as required by law, the company did not record the interruption time.

Staff considers this audit as the company's technical assistance for WAC 480-15-740, Start Times, Stop Times and Interruptions. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must record all start times, stop times, and interruptions in compliance with WAC 480-15-740.

¹⁴ Staff found fifty-two bills where Neighbors employees worked in excess of five hours with no interruption recorded on the bill of lading.

¹⁵ Department of Labor and Industries WAC 296-126-092 Meal periods -- Rest periods. "(1) Employees shall be allowed a meal period of at least 30 minutes which commences no less than two hours nor more than five hours from the beginning of the shift. Meal periods shall be on the employer's time when the employee is required by the employer to remain on duty on the premises or at a prescribed work site in the interest of the employer.

(2) No employee shall be required to work more than five consecutive hours without a meal period..."

[Order 76-15, § 296-126-092, filed 5/17/76.]

HOURLY-RATED MOVES

Piano and Organ Handling Charges

Item 170 of Tariff 15-A, Piano and Organ Handling Charge, specifies the minimum and maximum charges for piano and organ handling during mileage-rated moves. Piano and Organ Handling Charges are not allowed for moves conducted under hourly rates.

Audit

Staff reviewed bills of lading from October 1, 2004, through January 31, 2005. Staff found that in eleven instances, Neighbors Moving charged its customer for piano or organ handling charges (\$25.00 to \$50.00 per instrument) during hourly rated moves in violation of Item 170.

Staff considers this audit as the company's technical assistance for Item 170 of Tariff 15-A, Piano and Organ Handling Charges. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must cease charging Piano and Organ Handling Charges during hourly-rated moves.

Overtime

Tariff 15-A, Item 220 states:

1. *Charges for overtime are not mandatory. If overtime charges are assessed, they will apply in addition to all other applicable rates and charges.*
2. *The carrier may bill the customer overtime charges for loading and unloading services performed:*
 - (a) *Monday through Friday -- after 5:00 PM and before 8:00 AM;*
 - (b) *Saturdays, Sundays and legal holidays -- any time; or*
 - (c) *Anytime after eight (8) consecutive hours of service.*

Exception: Carriers may not assess overtime charges if the overtime is provided for carrier's convenience. Carrier's convenience is defined as: The carrier is unable to provide service, due to lack of equipment, on a date requested by a customer, and instead can provide service only during hours defined above as overtime hours.
3. *Overtime will be performed only at the request of the customer and at the option of the carrier. The carrier must provide the customer with a written estimate of the total overtime charges and get the customer's written consent before providing overtime service.*

<i>Period in which loading and/or unloading service is provided</i>	<i>Rate</i>	
	<i>Per person, per hour</i>	
	<i>Minimum</i>	<i>Maximum</i>
<i>Monday through Friday, excluding holidays, after 5:00 p.m. and before 8:00 a.m.</i>	<i>\$8.85</i>	<i>\$14.75</i>
<i>Any hours on Saturday</i>		
<i>Any hours on Sundays or holidays</i>		

Technical Assistance

On September 30, 2004, in complaint 89760, Staff sent Joe Tranisi a letter stating that the company could not charge for overtime unless the customer is given a written estimate for the overtime charges. Specifically, the letter stated:

“ [provide] Copy of written estimate authorizing overtime charges. NOTE: Signature on bill of lading is NOT sufficient.”

Findings

After Staff informed Neighbors, on September 30, 2004, that a signature on the bill of lading was not sufficient to authorize overtime, Staff found ten additional bills of lading where Neighbors Moving charged for overtime without getting the customer’s written approval.

Date	Shipper	# Hours Billed	Hourly Rate	Total Overtime Charge
Oct 16	Anderson	3	284	852
Oct 7	Williams	.75	329	247
Nov 3	Denison	1.25	329	(not shown)
Nov 6	Sherman	4.75	179	(not shown)
Dec 9	Holmes	2.25	134	(not shown)
Dec 23	Cameron	5	239	(not shown)
Jan 3	Sherrard	1.25	179	(not shown)
Jan 20	Granger	.5	329	(not shown)
Jan 21	Martoncik	5	179	(not shown)
Jan 22	Watsun	.25	179	(not shown)

Results

Staff finds ten violations of Tariff 15-A, Item 220, for failure to provide the customer with a written estimate of the total overtime charges and get the customer's written consent before providing overtime service subject to a penalty of \$1,000.00.

Additional Stops

Item 155 of Tariff 15-A, states a carrier may charge for additional stops to load, unload, or both, a portion of a customer’s shipment. This item applies only to mileage rated moves and may not be charged as part of an hourly-rated move.

Audit

On February 25, 2004, in complaint 87793, Staff informed Neighbors Moving of how additional stops must be calculated and that additional stop charges could only be assessed for mileage-rated moves. On March 29, 2004, Staff issued Neighbors Moving a violation for failure to accurately charge for additional stops.

On February 25, 2004, Joe Tranisi, in an email response to Staff stated:

“Thanks for clearing up how this should have been properly charged. I will see to it personally that this type of mistake is not make [sic] by any of our employees in the future.”

Staff also found that the Neighbors bill of lading form for hourly-rated moves includes the pre-printed statement: “Extra stops at \$15.00 each.”

Staff found that after Neighbors Moving had been given technical assistance it charged \$15.00 for an extra stop for the following hourly-rated moves:

Date of Move	Charged Amount
10-25-2004	\$15.00
10-1-2004	\$15.00
11-4-2004	\$15.00
11-23-2004	\$15.00
11-26-2004	\$15.00
12-5-2004	\$15.00

Findings

Neighbors Moving continued to charge for extra stops for hourly moves after technical assistance was given informing the company that extra stop charges were not allowed for hourly-rated moves.

Results

Staff finds six violations of Tariff 15-A, charging for additional stops during hourly-rated moves subject to a penalty of \$600.00.

Ferry Charges

Item 215, Charges for Using Commercial Ferries &/or Toll Bridges (Hourly-Rated), states:

- (a) The carrier will pass through to the customer the actual cost of ferry fares/fees. A copy of the ferry fare receipt must be attached to the bill of lading provided to the customer, and the carrier must retain a duplicate copy in its files.*
- (b) The carrier will pass through to the customer the actual cost of toll bridge fees. If available, a copy of the toll bridge receipt must be attached to the bill of lading provided to the customer, and the carrier must retain a duplicate copy in its files.*

Audit

Staff reviewed all of Neighbors hourly-rated bills of lading and did not find any for which ferry charges should have been assessed according to the Rand McNally Mileage Maker software.

Staff considers this audit as the company's technical assistance for Item 215 of Tariff 15-A. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must conduct all operations in compliance with Item 215 of Tariff 15-A, Charges for Using Commercial Ferries and/or Toll Bridges.

Crates, Containers and Packing Materials

A company must charge tariff rates for any crates, containers, or cartons used when packing a customer's goods. Item 225 of Tariff 15-A lists the prices for containers when used during an hourly-rated move. Item 195, Packing Charges, is used when the goods are being moved under mileage rates.

Staff reviewed Neighbors bills of lading for compliance with the crate, container, and materials charges. Neighbors hourly-rated bill of lading has the container charges preprinted on its form. Every charge listed on Neighbors bill is an incorrect charge and higher than allowed in Tariff 15-A.

The following chart shows the containers listed in Item 225 of Tariff 15-A, the minimum and maximum prices allowed within the tariff rate band, and the amount Neighbors shows on its bill of lading.

Type of Container	Price Per Container		Neighbors Price
	Minimum	Maximum	
Drum, Dish Pack	\$9.80	\$16.33	\$19.00
Cartons: Less than 3 cubic feet	\$2.03	\$3.39	\$9.00
3 cubic feet	\$3.02	\$5.03	\$10.00
4 ½ cubic feet	\$3.62	\$6.03	\$11.00
6 cubic feet	\$4.26	\$7.10	\$12.00
Wardrobe Carton	\$7.69	\$12.81	\$15.00
Mattress Cartons Crib Mattress	\$3.48	\$5.81	(none listed)
Twin Mattress	\$6.29	\$10.48	\$19.00
Double Mattress	\$7.83	\$13.05	(none listed)
Queen Mattress	\$8.86	\$14.76	(none listed)
King Mattress	\$12.69	\$21.15	\$23.00
King Box Spring	\$14.60	\$24.33	(none listed)
Mirror Carton	\$7.82	\$13.03	(none listed)
Crates and Containers (price per cubic foot or fraction) Minimum Charge	1.81cf 6.18 minimum	\$3.02cf \$10.30 minimum	\$19.00 small \$25.00 Large

In addition to the prices shown above, Neighbors also charges for packing materials that are not authorized in the tariff:

Brown Paper Bundles	\$50.00
White Paper Bundles	\$50.00
Tape	\$3.00
Shrink Wrap	\$15.00
Piano Padding & Wrap	\$75.00

Technical Assistance

In the Household Goods Technical Assistance and Records Review Checklist Investigator Leon Macomber noted three violations for failure to charge packing material rates within the tariff rate band. A copy of this checklist was given to and signed by Joe Tranisi in September of 2003.

In his memorandum dated September 9, 2003, Investigator Macomber states:

“Packing material rates are not being charged for per rate band and both Neighbors Moving yellow page ad and flyer advertise free boxes on hourly moves, which is not legal.”

Staff reviewed the ninety-six hourly-rated bills of lading and found Neighbors charged improper charges for materials and containers in thirty-nine instances.

Results

Staff finds thirty-nine violations of Tariff 15-A, Item 225, Container Prices, for failure of Neighbors Moving to charge tariff prices for crates, containers and packing materials subject to a penalty of \$3,900.00.

MILEAGE RATED MOVES

Tariff 15-A describes the two types of household goods moves authorized in the state of Washington. Household goods that are moved 35 miles or less are charged hourly rates for the time it takes to transport the goods. If the household goods are moved more than 35 miles, the rates and charges are based on the miles of the move, the weight of the goods, and any accessorial charges that may apply. Section 2 of Tariff 15-A applies to mileage rated shipments. The Tariff Items in Section 2 include charges for such services as transporting bulky articles or using commercial ferries during a mileage move, in addition to the basic mileage charges.

Technical Assistance

In September of 2003, WUTC Investigator Leon Macomber audited the operations of Neighbors Moving and in his audit report noted the following:

“WAC480.15.490 – Carrier does have a current copy of Tariff 15-A ...Currently no moves over 35 miles have been performed but we did discuss appropriate mileage rates.”

Joe Tranisi was given technical assistance on how to calculate for mileage moves in September 2003. Mr. Tranisi also signed the Technical Assistance Checklist, acknowledging the various aspects of laws and rules carriers are expected to comply with when conducting mileage-rated moves.

Audit

Staff found nine mileage-rated moves conducted by Neighbors Moving during this audit. The bills of lading for eight moves were included in the bills Neighbors Moving sent to Staff as part of the data request documents. One mileage move bill of lading was submitted as part of consumer complaint 87793. Staff found the rates, charges, or calculations for all of the nine moves in violation of Commission rules or tariff.¹⁶

Copies of the bills of lading and other documents for the moves are included in Appendix L.

¹⁶ Additionally, complaint 76767 filed in May 2002, is a consumer complaint for a March 2002 move that was rated under the hourly rates, when the move from Sammamish to Poulsbo should have been rated as a mileage move (Rand McNalley distance shows 37 miles). However, this complaint was not part of this audit as the complaint is still open.

Mileage – Item 110

All mileage-rated move charges must be calculated by using the weight of the shipment times the number of miles the shipment was moved between the origin and the destination. Item 110 of Tariff 15-A states that companies must use the Rand McNally Mileage Guide to determine the proper mileage. The mileage used to determine the proper rate must be recorded on the bill of lading.

Audit

None of the nine bills of lading indicate the mileage the company used to calculate the charges.

Findings

All nine of the bills of lading indicate the company failed to compute and record the mileage in violation of Item 110 of Tariff 15-A.

Results

Staff finds nine violations of Item 110 of Tariff 15-A for failure of Neighbors Moving to show the proper mileage was used for calculating mileage-rated charges subject to a penalty of \$900.00.

Weight of Shipment – WAC 480-15-750

All mileage-rated charges are based on the net weight of the shipment. WAC 480-15-750 states, in part:

You must obtain all tare and loaded weights by having your motor vehicles weighed by a certified weighmaster or on a certified scale:

- (2) You must obtain a certified tare weight prior to loading the shipper's goods;*
- (3) You must obtain a certified loaded weight at the point of origin, or;
 - (a) If no certified scale is available at the point of origin, you may obtain the loaded weight at the first certified scale located along the route of travel to the destination point; or*
 - (b) If no certified scale is available at the point of origin, at a point along the route to the destination, or at the destination point, you may use the constructive weight of the shipment;**
- (4) You must obtain a weight or scale ticket from the weighmaster or scale for the tare and loaded weights, and you must maintain a copy of those tickets with the bill of lading for the shipment.*

Copies of WAC 480-15-750, WAC 480-15-760 (What are my responsibilities to notify the shipper of the actual weight and charges for the shipment?), and WAC 480-15-770 (Must I reweigh the shipment at the point of delivery if the shipper requests it?) are included in Appendix M.

Findings

Staff finds that Neighbors Moving does not obtain the tare weight of the vehicle for any mileage-rated moves. None of the bills of lading included a copy of a scale ticket that included the tare weight.

Staff considers this audit as the company's technical assistance for WAC 480-15-750. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must obtain the tare weight of the vehicle for each mileage-rated move prior to loading the goods for shipment in compliance with WAC 480-15-750.

Findings

Staff finds that for two of the mileage-rated moves, Neighbors Moving billed the customer using constructive weight, not actual scale weight. There is no indication on the bills why actual weight was not obtained.

Staff considers this audit as the company's technical assistance for WAC 480-15-750, How do I verify the weight of distance-rated shipment of household goods? If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must use actual weights during a distance-rated move calculation unless there is no certified scale along the route, in compliance with WAC 480-15-750.

Scale Fee

In five of the six instances where Neighbors did obtain a certified weight for the shipment of the household goods, it also charged the customer a "Scale Fee" of between \$6.00 and \$8.00.

Findings

There is no provision in Tariff 15-A that a company may pass through the cost of the weight scale charges to the customer. The mileage rates and charges include those types of costs in the charges.

Staff considers this audit as the company's technical assistance for proper mileage rates and charges. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must cease charging customers for the cost of weight scale charges.

Weight Minimums

On seven of the mileage-rated bills of lading, Neighbors Moving noted a weight minimum. It appears that the customer is required to initial his or her approval for the minimum weight charge.

For one move, the bill of lading indicates a “4000 lb minimum”. The bill notes the weight of 18,460, tare weight of 15,290, which leaves a weight of 3170, which should be the amount the charges were based on. The bill states for the “billed shipment weight”, 4,000. The bill does not indicate how or why the 4,000 pound minimum was established.

Findings

The company cannot charge a minimum rate based on an amount the customer may agree to. The only provision for a minimum weight for a mileage-rated move is Item 120 in Tariff 15-A, which states:

“The minimum charge for any shipment will be calculated on a weight of 7 pounds per cubic foot of properly loaded vehicle space used. Both the minimum charge weight and the actual weight must be shown on the bill of lading.”

Staff considers this audit as the company’s technical assistance for minimum weight charges for mileage-rated moves. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must cease charging customers a minimum weight that is other than the actual scale weight of the shipment.

Bulky Articles

Some household goods, because of their size, shape, or weight, take up more space in a company's moving van, or require special handling. The cost of the extra space or handling is passed on to the customer through the rates and charges listed in Item 140 of Tariff 15-A. Only the goods listed in this item can be billed as bulky items or with weight additives charges.

Audit

Neighbors Moving chooses to charge for items that are not listed in Item 140. On bills of lading Neighbors billed for a Jacuzzi (\$25.00 or \$50.00), a safe (\$50.00), Juke Box (\$50.00), Adjustable Bed (\$50.00), Large Screen TV (\$25.00 or 50.00), and Hot Tub (\$25.00).

While Item 140 allows for a charge for the transportation of Jacuzzis, hot tubs, and Large Screen TV's, within a specified rate band, there is no allowance for a household goods moving company to charge extra to move Juke Boxes or adjustable beds.

Staff considers this audit to be Neighbors Moving technical assistance for Item 140 in Tariff 15-A.

Recommendation

Neighbors Moving must cease charging extra to move items for which there is no handling or weight additive charges allowed in Item 140 of Tariff 15-A.

Additional Stops

Tariff 15-A, Item 155, provides that during a mileage-rated move if the company loads, unloads, or loads and unloads portions of a shipment at more than one site, it may charge the customer for the additional stop(s). The charge for the additional stop must be between the \$29.74 minimum and the \$49.56 maximum charge.

On February 25, 2004, in complaint 87793, Staff informed Neighbors Moving of how additional stops must be calculated and that additional stop charges could only be assessed for mileage-rated moves. On March 29, 2004, Staff issued Neighbors Moving a violation for failure to accurately charge for additional stops.

On February 25, 2004, Joe Tranisi, in an email response to Staff stated:

“Thanks for clearing up how this should have been properly charged. I will see to it personally that this type of mistake is not made by any of our employees in the future.”

Staff finds that after March, 2004, Neighbors continued to charge \$25.00 for additional stops for mileage-rated moves in three out of the nine mileage-rated moves.

Findings

Neighbors Moving improperly applied Tariff 15-A, Item 155, Additional Stops, on October 7, November 6, and November 27, 2004.

Results

Staff finds three violations of Tariff 15-A, Item 155, charging for additional stops outside of the minimum and maximum rate band subject to a penalty of \$300.00.

Ferry Charges

Item 175, Charges for Using Commercial Ferries and Toll Bridges (Mileage-Rated) states:

- (a) The carrier will pass through to the customer the actual cost of ferry fares/fees. A copy of the ferry fare receipt must be attached to the bill of lading provided to the customer, and the carrier must retain a duplicate copy in its files.*
- (b) The carrier will pass through to the customer the actual cost of toll bridge fees. If available, a copy of the toll bridge receipt must be attached to the bill of lading provided to the customer, and the carrier must retain a duplicate copy in its files.*
- (c) The carrier must record on the bill of lading the exact time its vehicle and employee(s) are on board a commercial ferry or are waiting in line to board the ferry. The carrier will bill the customer for the time its vehicle and employee(s) are detained waiting in line to board the ferry. The carrier will bill the customer for the time its vehicle and employee(s) are detained waiting in line and the time on board the ferry at the rates shown in Items 230 (Hourly Rates) and 235 (Labor Charges).*

Audit

Staff reviewed three bills of lading for which ferry charges should have been assessed according to the Rand McNally Mileage Maker software. Staff found that Neighbors Moving is not in compliance with Item 175 of Tariff 15-A for the following moves:

Bill of Lading (no date)

Origin: Ferndale

Destination: Port Townsend

No ferry receipts attached to bill of lading. No ferry charges on the bill of lading. Carrier did not record the time the vehicle and employees were waiting for or on board the ferry.

Bill of Lading – December 28, 2004

Origin: Edmonds

Destination: Sequim

Should have been mileage-rated move (Neighbor charged as hourly-rated move). No ferry receipts attached to bill of lading. No ferry charges on bill. Carrier did not record the time the vehicle and employees were waiting for or on board the ferry.

Bill of Lading – January 5, 2005

Origin: Port Townsend

Destination: Lake Forest Park

Should be a mileage-rated move (Neighbors charged as hourly-rated move).

No ferry receipts attached to bill of lading. No ferry charges on bill. Carrier did not record the time the vehicle and employees were waiting for or on board the ferry.

Staff considers this audit as the company's technical assistance for Item 175 of Tariff 15-A. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must conduct all operations in compliance with Item 175 Tariff 15-A, Charges for Using Commercial Ferries and Toll Bridges, for mileage-rated moves.

Mileage Rates

Item 200 of Tariff 15-A lists the rates that must be used for all mileage-rated moves. Mileage rates must be used for any move over 35 miles.

To determine what rate to use, a company must first determine the distance between the origin and the destination. All household goods companies are required to use the Rand McNally Mileage Guide to determine mileage.

Once the mileage is determined, the company must weigh the goods then use the rate tables in Tariff 15-A, Item 200, to determine the proper rate to charge.

Findings

None of the nine bills of lading reviewed by Staff indicated the mileage of the move. Staff has no way of knowing if the rates were correctly determined without the mileage.

Staff considers this audit as the company's technical assistance for Item 200 of Tariff 15-A. If future violations are found, penalties or other sanctions may be imposed.

Recommendation

Neighbors Moving must complete its bills of lading to adequately show how it calculates its mileage-rated moves in compliance with Item 200, of Tariff 15-A.

BUSINESS PRACTICES

- Advertising
- Two-Hour Minimum Charge
- Valuation

BUSINESS PRACTICES

Neighbors Moving, as shown in this report, demonstrates an ongoing disregard for compliance with state statutes and Commission rules. In addition to the violations of laws and rules, Staff found that Neighbors Moving utilizes a number of business practices that appear to be deceptive and misleading to consumers, however, not in direct violation of Commission laws or rules.

ADVERTISING

As part of the Commission's data request, Neighbors Moving was asked to furnish copies of its advertising such as telephone directory ads. Neighbors Moving furnished a copy of its "old format yellow page ad" and the "new format".

Copies of Neighbors advertisements are included in Appendix D.

Staff finds both the old yellow page ad and the new format advertisement inaccurate and misleading. The new advertisement makes claims or statements that are either simply not true, or if true, would not be allowed by Commission law or rule.

Staff finds the following statements inaccurate or misleading:

- **The Dex ad states "Mover of the Year! 2003, 2004 & 2005 [Consumer Business Review].**

Staff finds claims such as this to be misleading and deceptive unless the company has actual facts as a basis for its claim. Staff asked Neighbors to provide copies of the 2003, 2004 and 2005 Consumer Business Review publications from which it states it was named Mover of the Year.

In response, Neighbors Moving sent three pages of what appear to be paid ads in the Fort Lewis Ranger and McCord Airlifter publications. There is no reference to any company being "Mover of the Year". The ads state:

"Move it better with NEIGHBORS MOVING & STORAGE. This is one of the leading moving and storage firms in the area and their record shows it! Whether you need to have something moved across the street or across the nation, call this well known company and rest assured that the job will be done right.

NEIGHBORS MOVING & STORAGE, at 18650 72nd Ave. S. in Kent, WA has the equipment, the people and the experience to move your entire business or household in style. Whether you are moving one room of furniture or an entire warehouse full, NEIGHBORS MOVING & STORAGE WILL TAKE THE JOB AND COMPLETE IT TO YOUR SATISFACTION. They are licensed, bonded and insured and you can depend on them for a better job.

NEIGHBORS MOVING & STORAGE has complete storage facilities at their modern warehouse. They store most anything from office equipment to furniture to general merchandise. And their warehouse is, of course, full insured.

The editors of this 2004 CONSUMER BUSINESS REVIEW recommend NEIGHBORS MOVING & STORAGE to all of our readers”.

- **The ad states “Your Official Neighborhood Mover Since 1939”.**

This statement implies that the company has been in business in Washington, and specifically in the King County area, since 1939. The company actually only received operating authority in Washington in 2003. Making the company appear to have been locally operated for more than sixty years is clearly not true, and deceptive.

When the company representative was asked about the 1939 date, Joe Tranisi stated that the company as a whole had been in the moving business since 1939. Mr. Tranisi acknowledged that their Washington permit was issued in 2003.

- **The ad states “Family Owned & Operated”.**

The ad also includes a picture of a man, a woman, and two children. Staff does not believe a corporation with unrelated corporate officers and no family members should characterize itself as a “family owned” business. Neighbors Moving is a nationwide enterprise, with four offices in Florida and two in Colorado.

- **The ad states “FREE BOXES with local move”.**

Neighbors can not advertise free boxes when Tariff 15-A requires the company to charge for materials within the approved rate band.

- **The ad states “FREE 1 Month Storage”.**

Neighbors can not offer free storage when Tariff 15-A requires the company to charge for storage-in-transit within the approved rate band.

Recommendation

Neighbors Moving must rewrite its print advertisements to include only those statements that are truthful and can be substantiated.

TWO-HOUR MINIMUM CHARGE

Staff found that Neighbors hourly-rated bill of lading shows two-hour minimum charge. The minimum time for an hourly-rated move during normal work hours, as listed in Tariff 15-A, Item 230, is one hour.

Staff has no way to determine if a move actually takes two hours or if the company is simply improperly billing for a two-hour minimum charge. This audit notifies Neighbors Moving that it may not charge any other minimum charges than the minimum charges specified in Tariff 15-A.

Recommendation

Neighbors Moving must cease its practice of telling and/or charging customers a minimum of two hours for any hourly-rated move that takes place during regular work hours.

VALUATION

Valuation is the amount of liability the carrier assumes if it damages or loses a customer's household goods. The customer determines the value of the goods (valuation). The value can be placed at the lowest level of liability at \$.60 per pound per article at no charge to the customer, or at the highest level of valuation, which is full replacement cost coverage with no deductible, or somewhere in between. The cost for the higher level valuation is based on a charge of between \$.65 and \$1.09 for each \$100 of declared value of the goods.

Staff does not believe that Neighbors Moving explains the four different valuation options to customers. Neighbors' hourly-rated bills of lading do not even have the valuation declaration on the form which would show the customer the four different valuation options. The hourly-rated bill also fails to show the customer was given, or offered, a copy of the Rights and Responsibilities of a Moving Company Customer consumer guide. This guide explains the valuation options.

Of the ninety-six hourly-rated bills of lading Neighbors Moving submitted as part of the data request, ninety-five bills show that the customers signed the bill which states the valuation of their goods is \$.60 per pound¹⁷. Staff finds it unlikely that if the customers were made aware of all of the different options, that every customer but one would choose the option that places the least value on the goods being shipped.

Staff finds that Neighbors Moving appears to place the burden of obtaining information on the different valuation options on the customer. The general public is unaccustomed to, as a customer, determining the amount of the moving company's liability.

It is the company's responsibility to ensure the customer understands the four valuation (not insurance) options, the cost, and the potential coverage should a claim be filed for the loss or damage of the customer's goods.¹⁸

¹⁷ Move on November 13, 2004 (Butler), customer marked \$80,000 valuation. Customer charged \$20.00 additional valuation charge.

¹⁸ Tariff 15-A, Item 90 states "The carrier must not load the customer's goods until such time as the customer selects an option and makes the appropriate notation on the bill of lading contract."

Recommendation

Neighbors Moving must develop a form to give to its customers that explains the different valuation options and have the customer sign the bill of lading or the estimate, acknowledging the receipt and understanding of this valuation option form.

SUMMARY OF RECOMMENDATIONS

The following are Staff recommendations for the possible issuance of penalties:

Staff finds three violations of WAC 480-15-610 for failure of Neighbors Moving to show its permit number on its hourly-rated bill of lading, its letterhead, and its internet website, subject to a penalty of \$300.00.

Staff finds one violation of WAC 480-15-640 for providing a verbal estimate subject to a penalty of \$100.00.

Staff finds ninety-six violations of WAC 480-15-730 for failure to use an approved bill of lading form subject to a penalty of \$9,600.00.

Staff finds one hundred and four violations of WAC 480-15-740 and Tariff 15-A, Item 95, for failure to accurately complete the bill of lading to ensure that it shows all the information necessary to determine proper tariff rates and charges subject to a penalty of \$10,400.

Staff finds one violation of WAC 480-15-840, failure to number its complaints and claims consecutively subject to a penalty of \$100.00.

Staff finds six violations of WAC 480-15-860, failure to record all required information in the company's claims and complaints files subject to a penalty of \$600.00

Staff finds one hundred and ninety-nine violations of WAC 480-15-890, failure to respond to Commission-Referred complaints subject to a penalty of \$19,900.00.

Staff finds ninety-seven violations¹⁹ of the Tariff 15-A, Fuel Charge Supplement No. 2000-1, for failure to correctly calculate the fuel surcharge at no more than 2% of the fuel consuming rates and charges subject to a penalty of \$9,700.00.

¹⁹ Ninety-six violations for hourly-rated bills and one for a mileage-rated bill that indicated a 12% surcharge.

Staff finds ten violations of Tariff 15-A, Item 220, for failure to provide the customer with a written estimate of the total overtime charges and get the customer's written consent before providing overtime service subject to a penalty of \$1,000.00.

Staff finds six violations of Tariff 15-A, charging for additional stops during hourly-rated moves subject to a penalty of \$600.00.

Staff finds thirty-nine violations of Tariff 15-A, Item 225, Container Prices, for failure of Neighbors Moving to charge tariff prices for crates, containers and packing materials subject to a penalty of \$3,900.00.

Staff finds nine violations of Item 110 of Tariff 15-A for failure of Neighbors Moving to show the proper mileage was used for calculating mileage-rated charges subject to a penalty of \$900.00.

Staff finds three violations of Tariff 15-A, Item 155, charging for additional stops outside of the minimum and maximum rate band subject to a penalty of \$300.00.