



Investigation Report Hansen Bros. Transfer & Storage Co. Inc.

TV-102032

Travis Yonker
Compliance Investigations

January 2011

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PURPOSE, SCOPE AND AUTHORITY

Purpose

Hansen Bros. Transfer & Storage Co. Inc. (Hansen Brothers) holds household goods carrier authority within Washington. The purpose of this investigation is to determine the company's compliance with Washington state laws and Washington Utilities and Transportation Commission (commission) rules.

Scope

The scope of the investigation is the intrastate transportation of household goods by Hansen Brothers in June 2010, and the company's compliance with state laws and commission rules during that time period.

Authority

Staff conducts this investigation pursuant to Revised Code of Washington (RCW) 81.04.070, RCW 81.80.130, and RCW 81.80.330. Washington Administrative Code (WAC) 480-15-010 gives the commission authority to regulate companies that transport household goods within the state of Washington.

Staff

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EXECUTIVE SUMMARY

Commission staff received information that Hansen Bros. Moving & Storage Co. Inc. (Hansen Brothers) was completing estimates that did not comply with commission rules and Tariff 15-C. As a result of this information, Compliance Investigations staff concluded that a broader investigation was necessary to determine if Hansen Brothers consistently complied with state laws and commission rules.

An investigation into the business practices of Hansen Brothers revealed that the company is in violation of commission rules, as follows:

- Failure to use proper estimate format and failure to properly complete estimate forms in violation of WAC 480-15-630.
- Failure to properly complete cube sheets as part of each estimate in violation of WAC 480-15-630.
- Failure to properly complete supplemental estimates in violation of WAC 480-15-630.
- Failure to use proper bill of lading format and failure to properly complete its bills of lading in violation of WAC 480-15-710.
- Failure to accurately record or calculate rates and charges on its bills of lading according Tariff 15-C, in violation of WAC 480-15-490.

Recommendation

Staff reviewed business records for 75 moves performed by Hansen Brothers in June 2010. Although staff found a number of violations in the completion of forms for many moves, staff recommends the commission only assess penalties for violations for which there is potential for harm to customers or for which Hansen Brothers has previously received technical assistance. Staff recommends penalties as follows:

- A penalty of \$100 for failing to provide proper documentation of the company giving the brochure, “Your Guide to Moving in Washington State” to all customers during the review period in violation of WAC 480-15-630, for a total penalty of \$100;
- A penalty of \$100 each for the four violations in which the company failed to obtain a customer signature on the written estimate in violation of WAC 480-15-630, for a total penalty of \$400;
- A penalty of \$100 each for the four violations in which the company failed to provide sufficient detail for the services in the written supplemental estimate in violation of WAC 480-15-630, for total penalty of \$400;
- A penalty of \$100 for each of the two moves in which the company failed to record the mileage on the bill of lading in violation of WAC 480-15-710, for a total penalty of \$200; and
- A penalty of \$100 for failing to provide proper documentation of interruptions in violation of WAC 480-15-710, for a total penalty of \$100.

Staff recommends total penalties of \$1,200. In addition, staff recommends Hansen Brothers representatives attend commission-conducted rule and tariff training at the next available date, and submit a written compliance plan addressing each violation in this report.

Staff further recommends Hansen Brothers closely review this report as it provides valuable technical assistance in other areas that need improvement including the format and completion of estimates, bills of lading, and charging according to Tariff 15-C.

BACKGROUND

Permit Status

According to commission records, Hansen Brothers has held common carrier authority with the commission since 1982. On January 15, 1999, the company's common carrier permit was automatically transferred to permanent household goods authority, permit number HG-001782, in Docket No. TV-971477.

According to Washington Secretary of State online records, Hansen Brothers was incorporated in the state of Washington in 1970. Larry Nelsen is listed as the president and registered agent, with David Cullen listed as treasurer.

According to the company's 2009 annual reported submitted to the commission, Hansen Brothers completed 1,540 intrastate moves and 2,122 intrastate estimates in 2009, and had a total revenue from household goods moves in 2009 of \$1,790,918. The annual report also stated that in 2009 the company received 49 damage claims for intrastate moves.

Technical Assistance

According to commission records, consumer protection staff received the following number of complaints per year against Hansen Brothers:

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6	3	7	6	7	9	3	1	0	1

On January 5, 2007, staff completed a comprehensive investigation of Hansen Brothers' business practices.¹ At that time, staff identified a number of rule violations and provided the company with a report describing the violations. Staff recommended no enforcement action be taken so long as Hansen Brothers submitted a compliance plan to the commission.

On February 13, 2007, Larry Nelsen, president of Hansen Brothers, sent the commission a letter addressing each violation and identifying compliance steps he intended to take on behalf of the company.² On June 17, 2009, Dave Jedlicka of Hansen Brothers attended a commission rules and tariff training.

Investigation

Staff initiated this investigation into the business practices of Hansen Brothers to ensure that the company complies with state law and commission rules and Tariff 15-C.

¹ See Attachment A for a copy of commission staff's January 5, 2007, letter to Hansen Brothers, and the attached investigation findings.

² See Attachment B for a copy of Mr. Nelsen's February 13, 2007, letter to the commission.

INVESTIGATION

Data Requests

On August 11, 2010, staff requested the following records and information from Hansen Brothers:

1. For every residential move performed within the state of Washington from April 1, 2010, through June 30, 2010, all supporting documents related to each customer's move, including, but not limited to, bills of lading, estimates, supplemental estimates, inventory records, weight slips, and all documents related to temporary storage of the goods.
2. For every residential move estimate completed by the company from April 1, 2010, through June 30, 2010, that did not result in an actual move, all supporting documents related to each estimate, including, but not limited to, the estimate, table of measurements, and supplemental estimate.
3. A copy of the company's customer complaint and claims register, listing all complaints and claims received from January 1, 2010, through June 30, 2010, including all documents related to each complaint and claim.

Staff instructed Hansen Brothers to respond to the data request no later than September 1, 2010. On August 13, 2010, staff received a telephone call from Mr. Nelsen, who stated the company's response to the data request would include hundreds of moves unless the scope of the data request was changed. Mr. Nelsen further requested additional time to respond to the data request. On August 13, 2010, staff sent Mr. Nelsen an email extending the response deadline to September 7, 2010. Staff also changed the scope of the data request to encompass only the first 75 intrastate moves conducted by the company after June 1, 2010. In response, on September 8, 2010, Mr. Nelsen delivered to the commission copies of records for 75 moves performed in June 2010, including bills of lading, cube sheets and written estimates. Hansen Brothers also provided documents for 25 estimates that did not result in a move and 2010 claim logs for each of the company's three locations.

On September 21, 2010, staff requested, and Mr. Nelsen provided, the reverse side of the company's bill of lading form describing the various contract terms of the bill of lading.

Scope of Investigation

Staff used the documents and information furnished from the data request to conduct its investigation of the company's business practices. Staff reviewed the records of 75 moves conducted by the company during June 2010.

2008 RULES AND TARIFF

On December 27, 2008, the commission adopted updated household goods rules in Docket No. TV-070466. The rules went into effect on January 27, 2009, and the commission notified all permitted carriers of the changes. The notice described how to access the new rules on the commission's website, as well as, instructions for requesting a paper or electronic copy from the commission.

The commission also adopted an updated household goods tariff, Tariff 15-C, effective February 1, 2008, in Docket No. TV-072258. The commission sent a copy of the final order adopting the tariff and a full copy of the new tariff to all permitted carriers on February 1, 2008.

The commission made significant changes to the way household goods carriers are required to provide services and bill their customers in both the rules and the tariff. For example, the commission required carriers to provide all customers with a written estimate prior to the actual move.

To assist permitted companies with understanding and implementing these changes, the commission provided rule and tariff training sessions for all interested parties. Commission records indicate that Dave Jedlicka of Hansen Brothers attended this training on June 17, 2009, in Olympia.

FORMAT AND COMPLETION OF ESTIMATES

Investigation

WAC 480-15-630 requires that household goods carriers “provide a written estimate to every customer prior to moving a shipment of household goods.” Further, WAC 480-15-630(7) specifically requires that carriers “complete the estimates as required by tariff.” Tariff 15-C, Item 85, identifies the required elements for all estimates.

Staff reviewed documents for 75 moves completed by Hansen Brothers in June 2010. The company issued estimates in all 75 moves, however, the estimate forms were not always completed correctly, as required by WAC 480-15-630(7). In addition, the company’s estimate format did not comply with Tariff 15-C in one aspect. Staff found deficiencies in the format and completion of estimates, as follows:

- **Providing a copy of the brochure “Your Guide to Moving in Washington State”**
Item 85(2)(c) of Tariff 15-C requires “[a] space for the customer to sign or initial stating that the customer was provided a copy of the brochure ‘your Guide to Moving in Washington State.’” While the company’s form contains the required space on the second page of its estimate form, the company representatives were not consistent in ensuring that the customer signed or initialed in the space. In total, company representatives failed to obtain a signature or initial from the customer in 24 moves during the review period, which represents 32 percent of the total moves staff reviewed. As such, in nearly a third of all Hansen Brothers moves reviewed, there is no evidence that the company representative made the brochure available to the customer.
- **Nonbinding estimate disclosure:** Item 85(2)(q) of Tariff 15-C requires that all estimates contain a statement that (i) the estimate is not binding, (ii) the cost of the move may exceed the estimate, (iii) the carrier must release the shipment upon payment of no more than 110 percent of the estimate and allow at least 30 days to pay amounts in excess of 110 percent, and (iv) that the customer is not required to pay more than 125 percent of the estimate *unless* the carrier issues and customer accepts a supplemental estimate. Currently, the language in Hansen Brothers’ estimate form states the following:

“This shipment is moving under a non-binding estimate. If the charges shown on the bill of lading exceed the charges on this estimate, the carrier must release the shipment upon payment of no more than 110% of the estimated charges and will extend credit for at least 30 days at which time the remainder is due. Interest and late payment fees may apply. ***In no case will payment of more than 125% of the estimate plus supplements be required.***³”

The final sentence of the current statement is incomplete according to the tariff, and may lead to customer confusion as the statement fails to clarify that the carrier must issue and

³ See Attachment C for an example of Hansen Brothers’ current estimate form.

the customer accept a supplemental estimate. The current statement does not make it clear to the customer that he or she will have the opportunity to accept a supplement.

- **Required signatures:** Item 85(2)(s) of Tariff 15-C requires that all estimates contain “[s]ignatures of the carrier personnel completing the form and the customer and the dates each signed.” In eight cases, the company representative failed to sign the estimate. In another nine cases, the estimate contained a printed name of a company representative as opposed to a signature. In following four cases, the company representative failed to obtain the signature of the customer on the written estimate:
 - On May 25, 2010, the company completed a written estimate for customer Beard, but failed to obtain the customer’s signature on the estimate form.
 - On May 28, 2010, the company completed a written estimate for customer Sanchez, but failed to obtain the customer’s signature on the estimate form.
 - On June 1, 2010, the company completed a written estimate for customer Rosenzweig, but failed to obtain the customer’s signature on the estimate form.
 - On June 16, 2010, the company completed a written estimate for customer Fleming, but failed to obtain the customer’s signature on the estimate form.

Technical Assistance

Commission staff has provided Hansen Brothers with technical assistance regarding each of these issues. On January 5, 2007, staff completed and sent to Hansen Brothers an investigation report explaining in detail the rules pertaining to estimates. Staff’s report advised Hansen Brothers to revise the non-binding language on its estimate form,⁴ to include a notation on every estimate that the customer was provided a copy of the brochure, “Your Rights and Responsibilities as a Moving Company Customer,” and to ensure that customers sign all estimates.

On February 13, 2007, Mr. Nelsen of Hansen Brothers responded to staff’s investigation report, and stated that the company was redesigning its estimate form to “incorporate the verbiage and information [the commission] requested,” and that the company would “re-emphasize the importance of getting all paperwork signed by the customer.” In reference to providing a copy of the brochure, Mr. Nelsen stated, “we feel we have met the intent of the regulation,” and did not specifically commit to improving company practices related to this issue.

Findings

Staff finds that Hansen Brothers failed to use a proper estimate form by failing to have complete language related to non-binding estimates. Staff further finds that during the review period, the company failed to accurately complete its estimates in violation of WAC 480-15-630(7). These

⁴ At the time of the 2007 investigation, the relevant rule was WAC 480-15-650, whereas the current rule is WAC 480-15-630(7), which adopts by reference all tariff rules. The non-binding language at issue, however, is substantially similar under both rules.

violations come after Hansen Brothers has previously received technical assistance from commission staff on these issues.

Recommendation

Staff recommends a penalty of \$100 for failing to provide documentation of the company offering a copy of the consumer brochure, “Your Guide to Moving in Washington State,” in all moves conducted by the company during the review period, and a further penalty of \$100 for each instance in which the company failed to obtain a customer signature when completing an estimate, for a total penalty of \$500.

Staff advises that Hansen Brothers must update its estimate form to include the full non-binding estimate language as required under Tariff 15-C, Item 85((2)(q)). Staff further advises that Hansen Brothers must provide a properly completed estimate to each customer prior to commencing the move. Staff considers this investigation as the company’s technical assistance regarding estimate format and estimate completion. If future violations are found, staff may recommend further penalties or take other enforcement action.

CUBE SHEETS

Investigation

WAC 480-15-630 requires a household goods company to issue an estimate prior to every move, and requires that the estimate include all elements as required by Tariff 15-C, Item 85. Tariff 15-C, Item 85(2)(g) requires, with each estimate, “a household goods cube sheet inventory of the items upon which the estimate is based and the estimated cubic footage for each item.” Hansen Brothers failed to properly complete cube sheets in nine out of 75 moves, or approximately 12 percent of the moves reviewed, as follows:

- On May 25, 2010, the company completed an estimate for customer Beard, noting a total cubic footage of 1,186 pounds, however there is no cube sheet to support this total. While the company completed a household goods descriptive inventory at the time of the move on June 30, 2010, the inventory cannot replace the cube sheet as it does not include the cubic footage of the goods, and it was not completed at the time of the estimate, as required under the tariff.
- On June 1, 2010, the company completed an estimate for customer Dorman, however there is no cube sheet describing the cubic footage of the goods, as required under the tariff.
- On June 3, 2010, the company completed an estimate for customer Blair. While there is what appears to be a cube sheet with the number of items in the shipment noted, there is no total cubic footage described, as required under the tariff.
- On June 14, 2010, the company completed an estimate for customer Berry, noting a total cubic footage of 716 pounds, however there is no cube sheet to support this total. While the company completed a household goods descriptive inventory at the time of the move on June 23, 2010, the inventory cannot replace the cube sheet as it does not include the cubic footage of the goods, and it was not completed at the time of the estimate, as required under the tariff.
- On approximately June 16, 2010, the company completed an estimate for customer Fleming. While there is what appears to be a cube sheet with the number items in the shipment noted, there is no total cubic footage described, as required under the tariff.
- On June 18, 2010, the company completed an estimate for customer Fowler, however there is no cube sheet describing the cubic footage of the goods, as required under the tariff.
- On June 21, 2010, the company completed an estimate for customer Bott. While there is a “piece count tabulation” form with the number of items in the shipment, there is no total cubic footage described, as required under the tariff.
- On June 28, 2010, the company completed an estimate for customer Strickland, however there is no cube sheet describing the cubic footage of the goods, as required under the tariff.
- On June 30, 2010, the company completed an estimate for customer Watier, however there is no cube sheet describing the cubic footage of the goods, as required under the tariff.

Findings

Staff finds that Hansen Brothers failed to properly complete cube sheets with estimates in nine moves in violation of WAC 480-15-630(7).

Recommendations

Staff advises that Hansen Brothers must provide a properly-completed cube sheet that clearly documents the cubic footage of each move. Staff considers this investigation as the company's technical assistance regarding estimate format and estimate completion. If future violations are found, staff may recommend penalties or take other enforcement action.

SUPPLEMENTAL ESTIMATES

Investigation

WAC 480-15-630 requires a household goods company to issue written supplemental estimates “when required by commission rule or tariff.” 480-15-630(3) further requires a household goods company to issue a supplemental estimate “if the circumstance surrounding the move change in a way that causes rates or charges to increase.” Thus, a supplemental estimate is only appropriate when the changed circumstances were not apparent at the time of the original estimate. Staff found that in seven out of 75 moves, Hansen Brothers issued supplemental estimates. In reviewing those seven supplemental estimates, staff found the following deficiencies:

- **Description of services:** Item 85(3)(e) of Tariff 15-C requires a supplemental estimate to include “[a] complete description of the services or products added by the supplemental estimate and associated charges.” It is also required that “[e]ach service or product and charge must be listed separately in sufficient detail to determine if proper rates were charged according to the tariff or, where no tariff charges exist, in sufficient detail to determine the exact nature, number, and type of charges.” Staff found that Hansen Brothers failed to provide sufficient detail in the following moves:
 - On approximately June 17, 2010, the company completed a supplemental estimate for customer Pallis, charging him \$4,247.35 for a move originally estimated at \$4,038.60. The supplemental estimate contains additional services described as “add \$100 for extra packing mat.” and “add 2 hours @ 218.40.” While the additional charge for packing material appears appropriate, the additional time is not described in sufficient detail to indicate an unforeseen change in circumstances.
 - On June 24, 2010, the company completed a supplemental estimate for customer Camenga, charging him \$2,208.63 for a move originally estimated at \$1,835.60. The supplemental estimate contains two additional services, one for “change in valuation,” and another that is described simply as “add 1 hour.” While the change in valuation appears appropriate, the additional hour of service is not described in sufficient detail to indicate an unforeseen change in circumstances.
 - On June 25, 2010, the company completed a supplemental estimate for customer Lynch, charging her \$791.70 for a move originally estimated at \$546.00, which represents an increase of 45 percent. The supplemental estimate contains additional services described simply as “add 3 hrs to estimate @ 109.20/hr.” The additional three hours are not described in sufficient detail to indicate an unforeseen change in circumstances.
 - On June 25, 2010, the company completed a supplemental estimate for customer Mueller, charging her \$1,119.50 for a move originally estimated at \$939.00. The supplemental estimate contains additional services described simply as “1 ½ hours extra time.” The additional time is not described in sufficient detail to indicate an unforeseen change in circumstances.

- **Date of supplemental estimate:** Item 85(3)(f) of Tariff 15-C requires a supplemental estimate to include the signatures of the company representative and the customer, and the dates each signed the supplemental estimate. Staff found that Hansen Brothers failed to provide the date in the following moves:
 - On approximately June 17, 2010, the company completed a supplemental estimate for customer Pallis. While both the company representative and the customer signed the estimate, there is no date included.

Technical Assistance

Commission staff has provided Hansen Brothers with technical assistance regarding the format of supplemental estimates. In January 2007, staff provided Mr. Nelsen of Hansen Brothers with a report documenting the various rule violations staff identified at that time, including the format of supplemental estimates. In that report, staff identified 15 elements that were missing in Hansen Brothers' supplemental estimate form based on Tariff 15-B. Staff further informed the company that a supplemental estimate was required when "the circumstances surrounding the move change in any way to cause the rate for service or the estimated charges to increase."

In February 2007, the commission received a response to staff's report from Mr. Nelsen. In that response, Mr. Nelsen stated "[o]ur supplemental estimate form is also being redesigned even though we have made changes in the past and were told by your people the changes were adequate." Despite this statement, staff found that the supplemental estimate form Hansen Brothers currently uses is virtually identical to the version used by the company in 2006.⁵ Since that time, Tariff 15-B has been superseded by Tariff 15-C, which no longer has the same requirements. As such, Hansen Brothers' supplemental form now complies with the current rule even though the company never complied with the commission's 2007 directive.

Mr. Nelsen further acknowledged in his February 2007 response to the commission that "it is the customer who has requested the additional service." This statement indicates the company's understanding of the purpose behind a supplemental estimate. Thus, it would follow that the company understands the need to provide adequate support to justify a supplemental estimate under the rules.

Findings

Staff finds that Hansen Brothers failed to properly complete supplemental estimates in four moves for not providing sufficient detail for the services, and in one move for failing to have the signers date the estimate. These violations come after Hansen Brothers has previously received technical assistance regarding supplemental estimates.

⁵ See Attachments D and E for examples of the supplemental estimate form used by the company in 2006 and 2010, respectively.

Recommendation

Staff recommends a penalty of \$100 each for the four violations where Hansen Brothers failed to provide sufficient detail for the services in violation of WAC 480-15-630, for total penalty of \$400.

FORMAT AND COMPLETION OF BILLS OF LADING

Investigation

WAC 480-15-710 requires a household goods company to issue a properly completed bill of lading for every move. WAC 480-15-710(3) further requires that the carrier “must include the information in the bill of lading as described in the commission’s tariff.” Tariff 15-C, Item 95, identifies the required elements for all bills of lading.

Staff reviewed documents associated with 75 moves completed by Hansen Brothers in June 2010. The company issued bills of lading in all 75 moves, however, the bill of lading forms were not always completed correctly, as required by WAC 480-15-710. Staff found the following deficiencies in the format and completion of estimates:

- **Website and e-mail information:** Item 95(1)(a) requires the company to include its website address and e-mail address, if any, on the bill of lading form. The form Hansen Brothers currently uses does not contain its website or e-mail contact information.⁶ Hansen Brothers maintains a website and an e-mail address for customers to contact, as evidenced on its estimate form, which contains this information. As such, this information should be included in the bill of lading form.
- **Mileage for long-distance moves:** Item 95(1)(1)(i) requires the company to include on the bill of lading, when conducting a long-distance move, the mileage of the move. Hansen Brothers did not include the mileage on the bill of lading in two moves as follows:
 - On June 23, 2010, the company completed a long-distance move for customer Leeper, but neglected to record the mileage on the bill of lading.
 - On June 23, 2010, the company completed a long-distance move for customer Berry, but neglected to record the mileage on the bill of lading.
- **Weight for long-distance moves:** Item 95(1)(1)(ii) requires the company to include on the bill of lading, when conducting a long-distance move, the net weight of the shipment as documented on the “actual weight ticket.” In the case of customer Stone, Hansen Brothers recorded gross weight and tare weight, which is supported by the weight tickets on file, however, the billed weight is not supported by the weight tickets. When staff requested additional information from Hansen Brothers, Mr. Jedlicka reported that there had been a second truck for which there are no weight tickets available. Staff confirmed with customer Stone that there were two trucks for this move.

⁶ See Attachment F for an example of the bill of lading form Hansen Brothers currently uses.

- **Interruptions:** Item 95(1)(m) requires the company to include “any interruption time for each employee involved in the move.” Although the company’s bill of lading form includes a separate space to record interruptions for breaks and meals, such interruptions were not consistently recorded. Hansen Brothers’ employees frequently worked in excess of five hours but did not record breaks. Because staff assumes Hansen Brothers’ employees take breaks as required by law, the company improperly billed customers for interruption time in 23 moves in the following moves:
 - On June 1, 2010, the company completed a move for customer Carson in which the crew worked for seven hours without a recorded break.
 - On June 1, 2010, the company completed a move for customer Quillin in which the crew worked for 6.25 hours without a recorded break.
 - On June 2, 2010, the company completed a move for customer Monahan in which the crew worked for 5.5 hours without a recorded break.
 - On June 2, 2010, the company completed a move for customer Pruitt in which the crew worked for 7.5 hours without a recorded break.
 - On June 2, 2010, the company completed a move for customer Sessions in which the crew worked for 5.25 hours without a recorded break.
 - On June 3, 2010, the company completed a move for customer Rosenzweig in which the crew worked for 5.5 hours without a recorded break.
 - On June 3, 2010, the company completed a move for customer Kovacevich in which the crew worked for 5.25 hours without a recorded break.
 - On June 5, 2010, the company completed a move for customer Rutledge in which the crew worked for 5.5 hours without a recorded break.
 - On June 7, 2010, the company completed a move for customer Thorpe in which the crew worked for six hours without a recorded break.
 - On June 7, 2010, the company completed a move for customer Sherwood in which the crew worked for 7.5 hours without a recorded break.
 - On June 8, 2010, the company completed a move for customer Pintler in which the crew worked for 7.5 hours without a recorded break.
 - On June 11, 2010, the company completed a move for customer Harr in which the crew worked for 6.75 hours without a recorded break.
 - On June 14, 2010, the company completed a move for customer Wilbanks in which the crew worked for 5.5 hours without a recorded break.
 - On June 15, 2010, the company completed a move for customer Yu in which the crew worked for 6.25 hours without a recorded break.
 - On June 17, 2010, the company completed a move for customer Deitz in which the crew worked for 6.75 hours without a recorded break.
 - On June 19, 2010, the company completed a move for customer Fowler in which the crew worked for 6.5 hours without a recorded break.
 - On June 24, 2010, the company completed a move for customer Ovadia in which the crew worked for 6.5 hours without a recorded break.

- On June 24, 2010, the company completed a move for customer Brashen in which the crew worked for 6.25 hours without a recorded break.
- On June 25, 2010, the company completed a move for customer Scott in which the crew worked for 5.75 hours without a recorded break.
- On June 28, 2010, the company completed a move for customer Samson in which the crew worked 5.5 hours without a recorded break.
- On June 28, 2010, the company completed a move for customer Dineen in which the crew worked for six hours without a recorded break.
- On June 28, 2010, the company completed a move for customer Callaha in which the crew worked for 6.75 hours without a recorded break.
- On June 29 and June 30, 2010, the company completed a move for customer Marsh in which the crew worked for six hours on June 29, 2010, and worked for 7.25 hours on June 30, 2010, without a recorded break on both days.

Technical Assistance

Commission staff has provided Hansen Brothers with technical assistance regarding some of these issues. On July 5, 2006, commission staff recorded a violation against Hansen Brothers for failing to record interruptions of time in the bill of lading. On January 5, 2007, staff completed and sent to Hansen Brothers an investigation report explaining in detail the rules pertaining to estimates. Staff's report advised Hansen Brothers to show the mileage on the bill of lading for each mileage-based move. Staff's report also advised Hansen Brothers to list any interruptions for each worker, noting that "Hansen Brothers continues to incur violations of this rule requirement."

On February 13, 2007, Mr. Nelsen of Hansen Brothers responded to staff's investigation report. In reference to recording mileage, Mr. Nelsen stated he would "take [staff's advice] under consideration during the redesign" of the company's forms. In reference to recording interruption times for company workers, Mr. Nelsen stated, "[i]n most cases the Bill of Lading should have this information, but if not, payroll records should reflect the times of each person on the job."

Findings

Staff finds that Hansen Brothers failed to use a proper bill of lading form by failing to have the company's website and email information included on the form. Staff further finds that during the review period, the company failed to accurately complete its bills of lading in violation of WAC 480-15-710 by failing to record mileage, weight, and interruptions properly. These violations come after Hansen Brothers has previously received technical assistance from commission staff on these issues.

Recommendation

Staff recommends a penalty of \$100 for each of the two instances in which the company failed to include mileage on all bills of lading and a penalty of \$100 for failing to record interruptions in all moves over five hours, for a total violation of \$300.

Staff advises that Hansen Brothers update its bill of lading form to comply with Tariff 15-C, Item 95. Staff also advises that Hansen Brothers must properly record mileage and weight in mileage-based moves, and record required interruptions in hourly moves, in each bill of lading. Staff considers this investigation as the company's technical assistance regarding format and completion of bills of lading. If further violations are found, staff may recommend penalties or take other enforcement action.

TARIFF RATES AND CHARGES

Investigation

WAC 480-15-490 requires a household goods company to bill charges according to Tariff 15-C. Hansen Brothers failed to bill the customer according to Tariff 15-C, as follows:

- **Minimum charge:** Item 105(7) of Tariff 15-C states that the minimum charge for any mileage-based move “will be calculated on a weight of seven pounds per cubic foot of properly loaded vehicle.” On June 16, 2010, Hansen Brothers charged customer Meras for 2,750 pounds. According to the cube sheet, there was a total of 388 cubic feet, which would equate to 2,716 pounds, however the estimate states a total of 393 cubic feet. There is no explanation for the difference in cubic feet. When staff contacted Mr. Nelsen about this move, he speculated that it was intended as a binding move, although the documents specify it is a non-binding move.
- **Proper calculation of miles:** Item 105(1) of Tariff 15-C states that mileage-based move rules “apply to moves of 56 miles or more.” Item 105(6) of Tariff 15-C states that household goods carriers must use a mileage guide that calculates mileage based on the most current version of the Household Goods Carriers Bureau Mileage guide, such as Rand McNally’s Mile Maker. On June 17, 2010, Hansen Brothers charged customer Curry for a mileage-based move, noting on the estimate and the bill of lading that the move was 56 miles, from Camano Island to Edmonds. According to Rand McNally’s Mile Maker, the actual distance from Camano Island to Edmonds is 55 miles. As such, the move should have been charged hourly.

Findings

Staff finds that Hansen Brothers violation WAC 480-15-490 for failing to charge customers as required by Tariff 15-C in two moves.

Recommendation

Staff advises that Hansen Brothers must properly charge based on Tariff 15-C, and the company must provide adequate documentation to determine the basis for all charges. Staff considers this investigation as the company’s technical assistance regarding estimate format and estimate completion. If future violations are found, staff may recommend penalties or take other enforcement action.

SUMMARY OF RECOMMENDATIONS

1. Staff recommends a total penalty of \$1200 for the following violations:
 - A penalty of \$100 for failing to provide proper documentation of the company giving the brochure, “Your Guide to Moving in Washington State” to all customers during the review period in violation of WAC 480-15-630, for a total penalty of \$100;
 - A penalty of \$100 each for the four violations in which the company failed to obtain a customer signature on the written estimate in violation of WAC 480-15-630, for a total penalty of \$400;
 - A penalty of \$100 each for the four violations in which the company failed to provide sufficient detail for the services in the written supplemental estimate in violation of WAC 480-15-630, for total penalty of \$400;
 - A penalty of \$100 for each of the two moves in which the company failed to record the mileage on the bill of lading in violation of WAC 480-15-710, for a total penalty of \$200; and
 - A penalty of \$100 for failing to provide proper documentation of interruptions in violation of WAC 480-15-710, for a total penalty of \$100.
2. Staff recommends Hansen Brothers representatives attend commission-conducted rule and tariff training at the next available session.
3. Staff recommends Hansen Brothers submit to the commission a written compliance plan addressing each of the violations addressed in this report.
4. Staff recommends Hansen Brothers closely review this report because it provides valuable technical assistance in other areas that need improvement. Staff has provided technical assistance on those areas within the report, as listed below. If future violations are found, staff may recommend penalties or take other enforcement action.
 - Hansen Brothers must provide a properly-completed estimate, including cube sheet, to each customer prior to the move. The estimate form must include all information required in the rule and Tariff 15-C, Item 85.
 - Hansen Brothers must provide a properly-completed bill of lading for every move. The bill of lading form must include all information required in the rule and Tariff 15-C, Item 95.
 - Hansen Brothers must charge customers only according to Tariff 15-C, and provide adequate documentation for determining the proper charges under the tariff.

Attachment A



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY (360) 586-8203

January 5, 2007

Larry A. Nelsen, President
Hansen Brothers Moving & Storage
6860 Coal Creek Parkway SE
Newcastle, WA 98059

Dear Mr. Nelsen:

As part of a broad review of household goods moving companies, the Washington Utilities and Transportation Commission (commission) reviewed the records and business practices of a number of companies. The focus of our inquiry is the general requirements of RCW 81.80, WAC 480-15, and Tariff 15-B, which detail the requirements for the business practices of household goods moving companies.

Business Practices Investigations staff member Betty Young reviewed the records and operating practices of Hansen Brothers Moving & Storage (Hansen Brothers) for the period April 16 through April 30, 2006. Ms. Young used this information to evaluate the company's business practices and to determine how those practices comply with commission laws and rules relating to household goods carriers. Upon completion of her review, Ms. Young found Hansen Brothers' practices appeared to violate a number of commission rules and tariff requirements, as outlined in the following pages.

At this time, we will not recommend the commission take formal action to issue sanctions against you. Instead, you must submit a compliance plan to us indicating how the company plans to change its practices to comply with applicable laws, rules and tariff requirements. If, in the future, Hansen Brothers' efforts fail to show ongoing compliance, we will likely come before the commission and ask that it take enforcement action.

You must respond to this letter by January 26, 2007, with a compliance plan addressing each of the recommendations listed in the following pages, in a format similar to the enclosed example. You must explain what actions the company intends to take, including an estimated completion date, to come into compliance with each issue identified.

Larry A. Nelsen
January 5, 2007
Page 2

If you have questions or require additional information, please contact Betty Young, Compliance Specialist, Business Practices Investigations Section. Ms. Young can be reached at 360-664-1202, or by e-mail at byoung@wutc.wa.gov.

Sincerely,



Carole J. Washburn
Executive Secretary

Enclosures

ESTIMATES - FORMAT

RCW 81.80.132 requires that when a carrier gives an estimate of charges for services in transporting household goods, the carrier will endeavor to accurately reflect the actual charges. WAC 480-15-650 defines when a carrier may provide an estimate and describes specific information required on a written estimate. WAC 480-15-660 describes supplemental estimates. Item 85 in Tariff 15-B describes additional information required in a written estimate.

Important notice

WAC 480-15-650 requires the following notice be listed on non-binding estimate forms:

“Important Notice

This nonbinding estimate covers only the articles and services listed. It is not a warranty or representation that the actual charges will not exceed the amount of the estimate. If you request additional services to complete the move or add articles to the inventory attached to this estimate, the household goods mover must prepare a supplemental estimate which will change the amount of the original estimate and may change the rate on which these new charges are based.

Household goods carriers are required by law to collect transportation charges and other incidental charges computed on the basis of rates shown in their lawfully published tariffs, except as provided below:

- (1) A household goods carrier may not charge more than twenty-five percent more than its written nonbinding estimate for time charges for a local hourly rated move nor can the household goods carrier charge more than fifteen percent more than the written nonbinding estimate for accessorial and other services not related to time, unless the household goods carrier prepares and the shipper signs a supplemental estimate.
- (2) A household goods carrier may not charge more than fifteen percent above your written nonbinding estimate for a long-distance-rated move, unless the household goods carrier prepares and the customer signs a supplemental estimate.”

Hansen Brothers’ current estimate form does not include the required “important notice” language. Instead, Hansen Brothers’ estimate form states:

“Important Notice: This estimate covers only the articles and services listed. It is not a warranty or representation that the actual charges will not exceed the amount of the estimate. Common carriers are required by law to collect transportation charges and other incidental charges computed on the basis of rates shown in their lawfully published tariffs. All moving charges based on WUTC Tariff No. 15 rules and regulations. Transportation charges are based on time and material for a local move, or weight and units of packing for an intrastate move. Actual charges can not generally be determined until delivery has been completed on a local move or the shipment has been weighed on an intrastate move.”

Recommendation

Hansen Brothers must immediately revise its non-binding estimate form to include all of the required items in WAC 480-15 and Tariff 15-B, including the exact “Important Notice” language.

Supplemental Estimates – Format

WAC 480-15-650 describes the specific information required on a written estimate. Item 85 describes additional information required in a written estimate.

The supplemental estimate form used by Hansen Brothers does not comply with the requirements in the rules and the tariff. The following required information and/or sections are missing from the supplemental estimate:

- The address, phone number, fax number, and e-mail address of the company.
- The name, company affiliation, title and telephone number of the company making the supplemental estimate.
- Identification of the customer including: the customer’s phone number, the origin of the shipment, destination of the shipment, and the shipper’s contact person (if other than the shipper).
- For hourly-rated moves, the number of carrier personnel and carrier vans (or trucks) that will be used, the number of hours each will be involved in the move.
- For mileage-rated shipments, the mileage between the origin and destination, the estimated net weight of the shipment, and the total transportation cost.
- The rates on which the estimated charges will be based.
- 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.
- The estimated cubic footage for each article.
- The estimated total weight of the shipment.
- For non-binding supplemental estimates, the printed “Important Notice” statement, as outlined in WAC 480-15-650(2).
- An overtime section.
- A valuation charges section.
- A storage section.
- A packing, unpacking, and containers section.
- A summary of charges section, as outlined in the tariff.

Recommendation

Hansen Brothers must immediately update its supplemental estimate form to include all of the information required by WAC 480-15 and Tariff 15-B.

ESTIMATES - COMPLETION

RCW 81.80.132 requires that when a carrier gives an estimate of charges for services in transporting household goods, the carrier will endeavor to accurately reflect the actual charges. WAC 480-15-650 defines when a carrier may provide an estimate and describes specific information required on a written estimate. WAC 480-15-660 describes supplemental estimates. Item 85 in Tariff 15-B describes additional information required in a written estimate. WAC 480-15-690 states a carrier may not charge more than 25 percent above the written nonbinding estimate for time charges for a local hourly rated move nor charge more than fifteen percent above the written nonbinding estimate for accessorial and other services not related to time, unless the shipper signs a supplemental estimate.

Person preparing estimate, company e-mail address

WAC 480-15-650(2)(b) requires Hansen Brothers to include on the estimate the name, company affiliation, title and telephone number of the company's representative preparing the customer's written estimate. Item 85(7)(c) requires Hansen Brothers to include the company's e-mail address on the written estimate.

Consumer Affairs staff provided technical assistance to Hansen Brothers on these requirements in five consumer complaints since 2005.¹ Hansen Brothers continues to incur violations of this rule and tariff requirement.

Recommendation

Hansen Brothers must include all of the required items in WAC 480-15 and Tariff 15-B on its estimates and supplemental estimates, including the estimator's company affiliation, title, and telephone number, and the company's e-mail address.

Origin, destination and intermediate stop addresses

WAC 480-15-650(2)(d) and tariff Item 85(f)(i) require Hansen Brothers to include the complete physical address of the origin, destination, and any intermediate stops of the proposed shipment on the bill of lading.

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in three consumer complaints since 2005.² Hansen Brothers continues to incur violations of this rule and tariff requirement.

Recommendation

Hansen Brothers must include all required items in WAC 480-15 and Tariff 15-B on its estimates and supplemental estimates, including the complete physical address of the origin, destination, and any intermediate stops of the proposed shipment.

Binding/non-binding estimates

Tariff Item 85(7)(d) requires "binding estimate" or "non-binding estimate" to be clearly indicated on the estimate or supplemental estimate form.

¹ Consumer complaints: 95416, 95559, 96298, 95609, 96337

² Consumer complaints: 91599, 95416, 96337

Hansen Brothers Moving & Storage – Records Review

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in consumer complaint 96298 in February 2006. Hansen Brothers continues to incur violations of this tariff requirement.

Recommendation

Hansen Brothers, on its estimates and supplemental estimates, must clearly indicate whether the estimate is binding or non-binding.

Rights & Responsibilities guide

Tariff Item 85(7)(e) requires 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. Hansen Brothers does not consistently meet the requirements on this tariff item.

Recommendation

Hansen Brothers, on its written estimates, must include 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.

Customer signature

WAC 480-15-650(3) requires that the customer sign the written estimate. WAC 480-15-660(3) requires that a customer sign the supplemental estimate or the additional work cannot be performed.

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in three consumer complaints since 2001.³ Hansen Brothers continues to incur violations of these rule requirements.

Recommendation

Hansen Brothers must ensure customers sign all estimates and supplemental estimates.

No supplemental estimate

WAC 480-15-660 defines when a carrier must prepare a written supplemental estimate and the rates a carrier must use to prepare the supplemental estimate. Tariff Item 85(3) describes the conditions under which the carrier is required to issue a supplemental estimate.

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in seven consumer complaints since 2001.⁴ Hansen Brothers continues to incur violations of this rule and tariff requirement.

³ Consumer complaints: 67475, 85651, 86423

⁴ Consumer complaints: 68351, 69957, 86423, 86677, 95416, 95559, 96298

Recommendation

Hansen Brothers must use a supplemental estimate whenever the customer has been given a written estimate and the circumstances surrounding the move change in any way to cause the rate for service or the estimated charges to increase. Supplemental estimates must be issued at the same level of rates as were contained in the original estimate.

Charging more than 25% above the written nonbinding estimate

WAC 480-15-690 states a carrier may not charge more than 25 percent above the written nonbinding estimate for time charges for a local hourly rated move nor charge more than fifteen percent above the written nonbinding estimate for accessorial and other services not related to time, unless the shipper signs a supplemental estimate.

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in eight consumer complaints since 2004.⁵ Hansen Brothers continues to incur violations of this rule requirement.

Recommendation

Hansen Brothers may not charge more than 25 percent above a written non-binding estimate for time charges for a local hourly rated move nor charge more than fifteen percent above the written nonbinding estimate for accessorial and other services not related to time, unless the customer signs a supplemental estimate.

⁵ Consumer complaints: 86423, 95416, 95559, 95609, 96298, 96337, 96667, 97888

BILLS OF LADING - COMPLETION

WAC 480-15-490(5) requires that all household goods carriers charge the rates and charges and comply with the rules contained in the tariff unless the Commission has approved, in writing, deviations from the tariff. WAC 480-15-710 states that a bill of lading is a shipping document issued by the household goods carrier, signed by both the shipper and the household goods carrier, which establishes the legal contract terms and conditions for a shipment. WAC 480-15-740 requires the company to fill out the bill of lading listing specific information necessary to bill the customer the correct rates and charges. Tariff 15-B, Item 95, describes additional information required on a bill of lading.

Driver's signature - Receipt of goods by carrier

WAC 480-15-710 states that a bill of lading is a shipping document issued by the household goods carrier, signed by both the shipper and the household goods carrier, which establishes the legal contract terms and conditions for a shipment. Item 95(1)(b) requires carriers to use a bill of lading that contains all of the information required in Item 95. The bill of lading format shown in the tariff requires a space for the carrier's driver to sign indicating receipt of the customer's goods.

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in two consumer complaints in 2006.⁶ Hansen Brothers continues to incur violations of this rule and tariff requirement.

Recommendation

Hansen Brothers must ensure its driver signs the bill of lading indicating receipt of the customer's goods.

Consignee signature - Receipt of goods at delivery

WAC 480-15-710 states that a bill of lading is a shipping document issued by the household goods carrier, signed by both the shipper and the household goods carrier, which establishes the legal contract terms and conditions for a shipment. Item 95(1)(b) requires carriers to use a bill of lading that contains all of the information required in Item 95. The bill of lading format shown in the tariff requires a space for the consignee to sign indicating receipt of the goods on delivery in good condition, except as noted on the bill of lading or inventory form.

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in two consumer complaints in 2006.⁷ Hansen Brothers continues to incur violations of this rule and tariff requirement.

Recommendation

Hansen Brothers must ensure that the customer signs for the receipt of goods at delivery on the bill of lading.

⁶ Consumer complaints: 95609, 96667

⁷ Consumer complaints: 96337, 96667

Customer telephone number

WAC 480-15-490(5) requires that all household goods carriers comply with the rules contained in the tariff unless the Commission has approved, in writing, deviations from the tariff. Item 95(2)(b) requires the name, address, and telephone number of the customer. Item 95(2)(c) requires the name, address, and telephone number of the consignee (i.e., the person accepting the goods at the delivery).

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in two consumer complaints since 2005.⁸ Hansen Brothers continues to incur violations of this rule and tariff requirement.

Recommendation

Hansen Brothers, on the bill of lading, must include the telephone number of the customer and the telephone number of the consignee.

Dates listed on bill of lading

WAC 480-15-740(1) requires the date the shipment was packed, loaded, transported, delivered, unloaded and unpacked be listed on the bill of lading. Item 95(2)(e) requires the actual pickup date of the move be listed on the bill of lading.

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in five consumer complaints since 2004.⁹ Hansen Brothers continues to incur violations of this rule and tariff requirement.

Recommendation

Hansen Brothers must list the date the shipment was packed, loaded, transported, delivered, unloaded and unpacked on the bill of lading.

Origin and destination addresses

WAC 480-15-740(3) requires the exact address at which the shipment, or any part of that shipment, was loaded or unloaded. Item 95(2)(d) 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.

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in two consumer complaints since 2005.¹⁰ Hansen Brothers continues to incur violations of this rule and tariff requirement.

Recommendation

Hansen Brothers must include on the bill of lading the exact address of the origin pickup point, any split pickups, stops to partially load or unload, and the final destination point of the shipment.

⁸ Consumer complaints: 91599, 96298

⁹ Consumer complaints: 86423, 91599, 95416, 96298, 95609

¹⁰ Consumer complaints: 91599, 95609

Mileage on bill of lading

Tariff Item 95(2)(i) requires that if the shipment will be rated under mileage rates, the mileage of the move be shown on the bill of lading. Hansen Brothers continues to incur violations of this tariff requirement.

Recommendation

Hansen Brothers must, on mileage-rated moves, show the mileage on the bill of lading.

Method of payment

WAC 480-15-490(5) requires that all household goods carriers comply with the rules contained in the tariff unless the Commission has approved, in writing, deviations from the tariff. Item 95(2)(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.

Consumer Affairs staff provided technical assistance to Hansen Brothers on this issue in three consumer complaints since 2005.¹¹ Hansen Brothers continues to incur violations of this rule and tariff requirement.

Recommendation

Hansen Brothers must ensure the customer indicates his or her method of payment by initialing that choice on the bill of lading.

Start/stop times for persons involved in move

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

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in two consumer complaints since 2005.¹² Hansen Brothers continues to incur violations of this rule requirement.

Recommendation

Hansen Brothers must list the start time, stop time, and any interruptions for each person involved in or on a shipment rated under hourly rates on the bill of lading. In lieu of recording each person's start time, stop time, and interruptions on the bill of lading, Hansen Brothers may maintain a separate, but complete, record of each person's activities in sufficient detail to verify the proper rates and charges.

¹¹ Consumer complaints: 95416, 96298, 95609

¹² Consumer complaints: 95416, 95609

BILLS OF LADING - RATES AND CHARGES

WAC 480-15-490(5) requires that all household goods carriers charge the rates and charges and comply with the rules contained in the tariff unless the Commission has approved, in writing, deviations from the tariff. WAC 480-15-740 requires the company to fill out the bill of lading listing specific information necessary to bill the customer the correct rates and charges. Tariff 15-B, Item 90 describes carrier liability for household goods and customer valuation options. Item 95 describes additional information required on a bill of lading. Item 100 requires a carrier to ensure that customers specifically choose storage in transit or permanent storage service by signing or initialing on the bill of lading, and requires the carrier and the warehouse to maintain an inventory on any shipment placed in storage.

Listing specific information necessary to bill correct rates and charges

WAC 480-15-740 requires the company to fill out the bill of lading listing specific information necessary to bill the customer the correct rates and charges.

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in consumer complaint 95416 in December 2005. Hansen Brothers continues to incur violations of this rule requirement.

Recommendation

Hansen Brothers must fill out the bill of lading listing specific information necessary to bill the customer the correct rates and charges. This includes ensuring the bill of lading is filled out legibly, with all charges fully and clearly described and written in the appropriate sections (e.g., charges for fuel surcharge and storage should not be listed in the packing and materials section, etc.).

Storage

WAC 480-15-490(5) requires that all household goods carriers charge the rates and charges and comply with the rules contained in the tariff unless the Commission has approved, in writing, deviations from the tariff. Item 95(2)(f) requires a declaration on the bill of lading of the length of time the shipper wishes property to be stored (permanent storage or storage-in-transit). Item 100 defines storage-in-transit (SIT) and permanent storage, and requires the carrier to ensure, if the customer has requested storage, that the customer specifically initials the type of storage on the bill of lading.

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in four consumer complaints since 2003.¹³ Hansen Brothers continues to incur violations of this rule and tariff requirement.

Recommendation

Hansen Brothers must ensure, if the customer has requested storage, that the customer specifically initials the type of storage on the bill of lading.

¹³ Consumer complaints: 83239, 86423, 96337, 96667

Estimates

WAC 480-15-490(5) requires that all household goods carriers comply with the rules contained in the tariff unless the Commission has approved, in writing, deviations from the tariff. Item 95(2)(g) requires a declaration of the type of estimate under which the shipment is moving, including the customer's initials by the estimate option selected.

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in four consumer complaints since 2004.¹⁴ Hansen Brothers continues to incur violations of this rule and tariff requirement.

Recommendation

Hansen Brothers must ensure the customer initials the type of estimate under which the shipment is moving on the bill of lading.

Valuation

WAC 480-15-490(5) requires that all household goods carriers charge the rates and charges and comply with the rules contained in the tariff unless the Commission has approved, in writing, deviations from the tariff. Item 90(5) requires that a carrier 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. Item 95(2)(h) requires a section on the bill of lading where a customer must select and initial the type of valuation coverage under which the shipment is moving.

Consumer Affairs staff provided technical assistance on this requirement in four consumer complaints since 2003.¹⁵ Hansen Brothers continues to incur violations of this rule and tariff requirement.

Recommendation

Hansen Brothers must ensure the customer selects and initials the type of valuation coverage under which the shipment is moving on the bill of lading. Hansen Brothers must not load the customer's goods until the customer selects a valuation option and initials it on the bill of lading.

The valuation options on the bill of lading apply to the shipment of the goods and are separate from the valuation selected for storage-in-transit. Hansen Brothers may not simply refer to a warehouse storage contract for valuation on the bill of lading in lieu of getting the customer to select and initial a valuation option for the shipment. Hansen Brothers must ensure the customer selects and initials the type of valuation coverage under which the shipment is moving, regardless of the valuation coverage used during storage.

Valuation for storage-in-transit (SIT)

WAC 480-15-490(5) requires that all household goods carriers comply with the rules contained in the tariff unless the Commission has approved, in writing, deviations from the tariff. Item 90(10) lists the fees for valuation of goods while in SIT.

¹⁴ Consumer complaints: 86694, 91599, 95609, 96337

¹⁵ Consumer complaints: 83239, 95609, 96337, 96667

Hansen Brothers Moving & Storage – Records Review

It appears Hansen Brothers only offers three of the four valuation options during SIT: Basic, depreciated value protection and replacement value protection with no deductible. All four valuation options listed in the tariff must be offered for SIT.

Recommendation

Hansen Brothers must offer all valuation options for SIT as listed in the tariff.

Rights & Responsibilities Guide

WAC 480-15-740(8) requires that on any shipments where the customer did not receive a written estimate, the carrier 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 notation on the bill, acknowledging receipt of the information. Item 95(2)(o) requires a notation that the customer was provided a copy of the brochure or that the customer refused a copy when it was offered. Hansen Brothers does not consistently meet the requirements of this rule and tariff.

Recommendation

Hansen Brothers must, on any shipments where the customer did not receive a written estimate, 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 notation on the bill, acknowledging receipt of the information.

Storage-in-transit

WAC 480-15-490(5) requires that all household goods carriers charge the rates and charges and comply with the rules contained in the tariff unless the Commission has approved, in writing, deviations from the tariff. Item 100(1)(B) lists charges for storage-in-transit. Charges are determined in 30-day increments and are not pro-rated.

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in consumer complaint 96298 in February 2006. Hansen Brothers continues to incur violations of this rule and tariff requirement.

Recommendation

Hansen Brothers must charge storage charges as listed in the tariff.

Overtime

Item 220(3) states 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.

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in four consumer complaints since 2003.¹⁶ Hansen Brothers continues to incur violations of this tariff requirement.

¹⁶ Consumer complaints: 86677, 95416, 95609, 98522

Hansen Brothers Moving & Storage – Records Review

The tariff requires Hansen Brothers to provide the customer with a written estimate of the total overtime charges and to get the customer's written consent before providing overtime service. Hansen Brothers has a section on the front of its bill of lading that states:

Overtime Authorization

_____ I understand my move requires overtime to complete and agree to the additional charge.

This notation is insufficient as it does not provide the customer an estimate of the total overtime charges.

Recommendation

Hansen Brothers must provide customers with written estimates of the total overtime charges and get customers' written consent prior to providing overtime services.

Container Charges

Tariff Item 225 lists fees to be added to the customer's total charge for new or used containers for hourly-rated moves.

Consumer Affairs staff provided technical assistance to Hansen Brothers on this requirement in two consumer complaints in 2006.¹⁷ Hansen Brothers continues to incur violations of this tariff requirement.

Recommendation

Hansen Brothers must charge the prices listed in the tariff for containers. Hansen Brothers may not give away wardrobe boxes free of charge.

Tips

WAC 480-15-740 requires the company to fill out the bill of lading listing specific information necessary to bill the customer the correct rates and charges. No other rates or charges than those authorized in Tariff 15-B may be added to the bill of lading. While a customer may choose to pay the company a gratuity, that amount may not be included as part of the balance due or be considered as a part of the total charge for the shipment of the goods on the bill of lading. Hansen Brothers does not consistently meet the requirements of this rule and tariff.

Recommendation

Hansen Brothers must not list gratuities in the charges on its bills of lading.

¹⁷ Consumer complaints: 95559, 96298

Attachment B

LOCAL • INTERSTATE • INTERNATIONAL

HANSEN BROS.
MOVING & STORAGE

Since 1890

February 13, 2007

RECEIVED
FEB 14 2007
WASH. UT. & TP. COMM

Carole J. Washburn
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. S.W.
P.O. Box 47250
Olympia, WA 98504-7250

Dear Ms. Washburn:

We have reviewed your letter regarding our failure to abide by the rules and regulations set up by the state and referenced in the WAC codes, Tariff 15A and RCW codes. Throughout our history, we have always taken great pride in being the best and treating our customers with respect and honor, and delivering a product we are proud to stand behind. We do not think the results you have published and enumerated reflect a true picture of the company we are or the way we practice our business.

We have made an ongoing effort to comply with all of the rules and regulations of the Washington Utilities and Transportation Commission (WUTC) as we understand them and have had them explained to us by both the Commission and Industry Trade groups. As evidenced by the results of your audit, we have fallen short of both our expectations and the state's requirements. We understand that you are auditing our performance and do not make the rules, but are responsible for pointing out our shortcomings and appreciate your assistance and candor during this process. During the review process, we have discovered various items we agree with, some we completely disagree with, and still other items that we feel are impractical to expect perfect compliance with given the nature of the business.

When we met recently, we spoke about Hansen Bros.' four generations, 117 years worth of experience since 1890, my own 36 years of personal experience in the moving business, and the efforts we make to inform the consumer about their impending move. Hansen Bros. prides itself on the open and full disclosure we provide during our in-home estimates. We fervently believe that the more the customer knows about what will be happening on move day and what both our expectations are and what the customer can expect from us, the more that customer will choose us as their preferred mover. We haven't performed over 10,000 moves over the past five years by deceiving or misleading the consumer.

SEATTLE
12645 Stone Avenue N
Seattle, WA 98133
tel 206.365.8183
fax 206.365.1262

EASTSIDE
6860 Coal Creek Parkway SE
Newcastle, WA 98059
tel 425.277.5500
fax 425.255.1030

SOUTH END
701 SW 39th Street
Renton, WA 98055
tel 425.251.0086
fax 425.251.0088

SNOHOMISH COUNTY
2902 Lincoln Way
Lynnwood, WA 98037
tel 425.776.0176
fax 425.744.0861

As I will elaborate on when I review your audit results in greater detail, Hansen Bros. far exceeds the competition in the amount of explanation and education being provided the consumer prior to the move. We have detailed checklists outlining the move process and the decisions the consumer needs to make on what is often a hectic and stressful move day. When our crews arrive to perform a move, our customers have already been asked and informed about their options as to valuation, storage, methods of payment, what rates are charged, what they encompass, what to do to prepare for the move to minimize expenses and their "Rights and Responsibilities" as enumerated by the WUTC including using your booklet as a sales tool.

We also understand that the paperwork requirements are difficult for our movers to understand and implement on an often tumultuous move day. After a full day of hard work under sometimes difficult conditions and time pressure, making sure the t's are crossed and the i's are dotted is unfortunately not always at the top of the list for our crews. We understand this and try to provide our crews with instructions and help sheets to make compliance easier. I am sure you can understand the challenges they face in the field, given the difficulties we have both had calculating the exact charges, though we have a desk to sit at, a computer or calculator at hand, tariffs at the ready and the luxury of time to perform our calculations without a stiff and sore back.

I object strongly to the WUTC's characterization of all "errors" as being equal. In the eyes and audits of the WUTC, an initial in the wrong spot, an already acknowledged item not duplicated or a customer writing in a tip on the Bill of Lading to reward our crews for their hard work, are all violations. The moving scams we have all read about in the newspapers and have seen on the nightly news are apparently on a par with these paperwork violations. I believe that our paperwork violations pale in comparison to our main competition. These movers operate without required permits for years, seemingly snubbing their nose at the WUTC by advertising with full page ads in the Yellow pages, in the Little Nickel and on Craig's list without their permit number being displayed. Payroll taxes, L & I coverage, and state business taxes are avoided, along with the WUTC paperwork requirements and consumer protection concerns that legitimate movers have. In the eyes of the WUTC, we may seem to be a major violator, because we perform a high number of moves and have placed ourselves under the scrutiny and review of the Commission. Our unregulated brethren have far few violations by virtue of the fact that they don't perform as many moves as Hansen Bros., and the moves they do perform are not subject to audit by the WUTC. The consumer, however, is far better off trusting their goods to Hansen Bros. than most of our competition, despite the violation count the WUTC keeps.

I take great exception to the WUTC's view that a violation is a violation, no matter the consequence to the consumer. Most of the violations we were cited for did not engender complaints from our customers. I agree that complaints should be looked into, but inconsequential and peripheral items that have nothing to do with the complaint and with no consequence to the consumer, should not constitute an additional violation. In fact, as I noted above, we were cited for violations as silly as some of our customer's writing a

tip onto the Bill of Lading. I would be surprised if any mover, let alone any business or government agency, could satisfactorily pass this level of scrutiny.

As a point of comparison, how have our "unregulated" competitors fared under the scrutiny of the WUTC? As you have no doubt noted, many of our violations arise because we perform in home estimates. Many of our competitors do not. We provide invaluable information and hand out more WUTC pamphlets than any other mover. Our competitors avoid the expense and exposure by eliminating this step in the process. The largest segment of our competition avoids the WUTC altogether. Who needs estimates, supplemental estimates, Bills of Lading and the resulting regulations, taxes and oversight?

We are now making the requested adjustments with the realization that no matter what we do to change, there is no way 100% compliance can realistically be achieved in the eyes of the WUTC. Considering the volume of jobs we perform, with all of the conditions, situations and scenarios they are performed under, human error, fatigue and misunderstanding will preclude 100% compliance with the WUTC. We do have hopes that by making these changes we will not be at the top of the list of offenders in the eyes and rankings of the WUTC even with the volume of moves we perform.

After reviewing all the paperwork involved in our organization, we will redesign and reprint many of our forms to incorporate the items you requested. We will need to have the software used for printing our estimates and Bills of Lading reprogrammed along with redesigning our preprinted forms. We will also reprint our Warehouse Contract, Liability of the Warehouseman for Permanent Storage and Liability of the Warehouseman for Storage in Transit shipments. Unfortunately, the change in storage liability will result in higher than necessary duplicated costs for the consumer. We estimate these changes will require approximately 3 months accomplishing, but we will keep you apprised of the progress.

We have also requested a different point of contact within Hansen Bros. to ensure a timelier response to questions from the WUTC. Thank you for your assistance in already facilitating that change. We will also pursue needed changes in the tariff to better encompass the industry and day-to-day operational issues we have discussed. We feel the main objective of the tariff and related regulations should be to protect the consumer, and that needless inflexible regulations from a by-gone era should be eliminated.

Items for correction per your instructions -

Estimates -

Even though we believe our existing written estimate package that we have presented to literally thousands of potential consumers in the past gives the customer all of the information they need to make an informed decision and understand their rights, we are in the process of redesigning our written estimate format to incorporate the verbiage and information you've requested. Since our outside sales people use a software program in their notebook computers, the programmer has to redesign his software to accommodate

all of the items. It is unknown at this time if all items and verbiage will fit on one page, but that will be the goal. From reviewing all of the regulations, we do not see where more than one page is not allowed.

Supplemental Estimates –

Our supplemental estimate form is also being redesigned even though we have made changes in the past and were told by your people the changes were adequate. We believe the regulations need to be changed to facilitate the purpose the form that was originally intended. The definition of “supplement” is 1: something that supplies a want or makes an addition 2: a continuation containing corrections or additional material. Our view is that the Supplemental Estimate is needed when the shipper requests something on the job that was not requested, necessary or impossible to foresee at the time of the original estimate, i.e., shipper was going to pack all cartons themselves, but didn't have time; grandkids were going to move some of the small items, but didn't complete their task; shipper was going to have a garage sale, but didn't; parking problems or construction issues arise.

Why the Supplemental Estimate would need to include at least the 33 items you have pointed out the tariff and codes call for, (which over half have already been given to the customer, signed or initialed for, or received by the customer on the original estimate or Bill of Lading) seems a bit redundant especially when it is the driver filling out the forms in the field, when all he wants to do is what the customer wants and make the customer happy? The vast majority of the customers don't want or need the redundant information, they just want an idea of how much more it is going to cost since they are the ones asking the crew to perform some additional services.

The other issue relating to a supplemental estimate is it requires the driver to give a precise estimate for services when he probably does not have an accurate idea of how much longer, how many additional items weigh, or how many cartons will be necessary to complete the additional service requested. Since it is the customer who has requested the additional service, usually because they did not follow through on what they had originally told the estimator they would complete, why is the company's driver left at a disadvantage to give an accurate estimate on the spot, when all that is needed is for the customer have the correct rates for the service? The customer at any time during the move process always has the ability to ask the crew to leave items or don't pack anymore because they can calculate the costs as the crew is progressing with the additional work requested.

Estimates completion –

Person preparing estimate needs to supply – name, company affiliation, title, phone number of the representative preparing the estimate and e-mail address.

We are addressing this issue during our redesign of our local estimate to ensure we can prove the customer has received all of this information even though we believe we have furnished all of this information with every estimate we have given.

In reviewing the notes from all of the complaints for the last 5 years, none contained any complaint from a customer because they could not reach us by any of these means of communication. In one instance, in the customer's letter to the WUTC, she states that the day of the job she tried to call the sales person and listed his direct number and cell phone, but we still received a violation.

Our large presentation of sales material has all of these items, plus we are in a minimum of 7 different phone books, 800 toll free numbers as well as local numbers, web site with search engines, not to mention that our offices in 4 convenient locations around the area are open 8 AM to 6 PM Monday through Friday and Saturday 9 AM to 1 PM for anyone wishing to stop in. For us to receive a "violation" (which is usually 5 in each instance), when all of this information is supplied on every business card, given out to customers and anyone else that will take one and no one has ever mentioned they had a problem corresponding or locating us, is a bit puzzling.

Origin, destination and intermediate stops need to be listed on the B/L -

We believe in the past the violations occurred when the shipment was involved in movement to or from storage at one of our warehouses. Since the addresses of all of our facilities are already on the estimate, the address was mistakenly not placed again on the estimate but just referred to as "Seattle" warehouse for example. We have now instructed everyone that is not correct, so this problem should be eliminated in the future.

Binding/non binding estimates have to be clearly marked -

We will make every effort to comply with this requirement, but we also must take exception to your statement "Hansen Brothers continues to incur violations of this rule and regulation". We had one "violation" cited in the complaints over a 5 year period. We did make a change to our estimate form and had evidently mistakenly thought that met the requirement since we hadn't received any additional violations. We have also never given a binding estimate to anyone and make sure they understand local moving is charged for by the hour. During the redesign of our form, this will be addressed so there will be no question what type of estimate the customer has received.

Rights and responsibility guide to be provided to customer at the time of estimate -

We have handed out more booklets than any other mover in the state according to one of your staff members, but we will now make extra effort in proving we give out the booklet during the estimate process. We certainly try to comply with this requirement, but admit at times it has not been documented completely and surmise this is why this item would be on the list. In reviewing all of the correspondence in cases investigated, there has

never been anyone who has said they didn't receive a booklet, therefore we feel we have met the intent of the regulation, which is to ensure the consumer has all of the information required for their protection, has been met.

Customer signature on all estimates and supplemental estimates -

We will re-emphasize the importance of getting all paperwork signed by the customer.

No supplemental estimate -

We will re-emphasize the importance of getting a supplemental estimate filled out and signed by the customer.

Charging more than 25% over a non-binding estimate or 15% materials without a signed supplemental estimate -

We will re-emphasize the importance of getting a supplemental estimate filled out and signed by the customer whenever additional services are requested or circumstances dictate additional time or materials will be necessary to complete the job. We realize and have tried to convey to everyone that this is usually the area where most disputes start and proper documentation is required. The old mentality of "Let's just get the job done because that's what the customer wants us to do." will not work anymore. Stopping and documenting requests with signatures is a must or we will need to stop the job or refuse the service.

BILLS OF LADING

Driver's signature - Receipt of goods by carrier

We always instruct the crews on the proper way to complete the paperwork. Signing the Bill of Lading has always been taught and we will retrain everyone on the importance of completing everything correctly.

Consignee's signature - Receipt of goods at delivery

We always instruct the crews on the proper way to complete the paperwork. Having the consignee sign the Bill of Lading at delivery has always been taught and we will retrain everyone to the importance of completing everything correctly. We believe in some instances this is not 100% possible because the items are going to storage, the consignee has left before delivery has been completed, etc., but we will make every effort to achieve 100% compliance.

Customer telephone number -

We agree completely that communication with a customer is important and we will strive to achieve 100% compliance with obtaining consignee phone numbers. We would also

like to point out we have never filed a complaint that WE couldn't get in touch with a consignee and have never had a customer service failure in the few times we didn't put the consignee's number in the consignee slot on the Bill of Lading. If memory serves us correctly, one of the "violations" occurred because we didn't have a destination phone number when the customer was moving 2 blocks and the phone number was the same as at the origin. This is another case of receiving "violations" that have no bearing on a complaint, customer service or common sense.

Dates listed for pack, load, transported and delivery –

We will instruct everyone to put all dates of service on the Bill of Lading and will take that into consideration during the redesign of the bill.

Origin and destination addresses –

We will ensure the origin and destination addresses are listed on the Bill of Lading. If the customer is unsure of an address, we will instruct the driver to fill it in upon arrival to the destination. Also as already stated above, this could be related to storage at one of our warehouses which has already been addressed.

Mileage –

We realize the mileage needs to be shown on the Bill of Lading for mileage rated shipments and will take this under consideration during the redesign of our forms. We are not sure that mileage has ever not been recorded during an intrastate move, but we will review the proper procedure with our staff.

Method of payment –

We have reviewed both the WAC 480-15-490(5) and tariff 15B Item 95 (2) (p) and although the tariff states the type of payment should be shown, it does not state who fills it out - the customer or the company representative? In our case, the driver accepts payment and notes on the Bill of Lading if it was cash, check (noting check number), credit card or whatever the customer has used for payment. We always discuss forms of payment at the time of the estimate or over the phone before the move because we believe it is too late after the crew has driven out to a jobsite to have the customer decide about payment.

We will address this item during the redesign of our forms, but we also think this tariff item should be reviewed to see if it's necessary or should be optional.

Start and stop times for everyone involved in a move –

In the future, we will be able to produce information regarding labor start and stop times involved in a move. In most cases the Bill of Lading should have this information, but if not, payroll records should reflect the times of each person on the job.

BILLS OF LADING RATES AND CHARGES –

Listing specific information necessary to bill correct rates and charges –

We naturally train and show the crew members how, where and what to put in various places on the Bill of Lading and will continue to do so to try to comply with your findings. Realistically again, there is no way to insure 100% compliance because of the long list of “on the job” circumstances that come into play on a daily basis. We have been cited for the writing fuel surcharge in the wrong place (correct charges, just wrong place), and cited twice for the customer writing a tip for the crew on the Bill of Lading when it’s not a tariff charge. Was the real intent of the law and tariff to make regulations that protect the consumer or to give “violations” for minor items and bad penmanship that realistically, in the huge majority of cases, have no bearing on the move, the complaint or customer service issue and are impossible to comply with 100% of the time? Perhaps after a review of the rules and regulations, the commission could possibly make adjustments so compliance is at least possible in most instances.

Storage –

We realize we have had violations in the past for not having the customer initial what type of storage they are requesting or initialing SIT after receiving an estimate quoting rates for permanent storage. We have made plasticized copies of the Bill of Lading to use as an example and instructed everyone to be sure the customer understands the differences in the types of storage and rates relating to each so they may make the proper selection on the Bill of Lading.

Obtain customer initial for type of estimate –

We always instruct the crews on the proper way to complete the paperwork and we will continue to train, however, sometimes the customer does not initial all of the areas required by the rules and regulations. We would suspect, since reviewing all of the transcripts of complaints, the customer already knows what type of estimate they have received because no mention was ever made in any correspondence questioning the type. We suggest that if a written estimate was given, the company X’s the spot on the Bill of Lading and has a copy accompany the bill. If it was a non visual rate quote, then the customer would need to initial as such on the Bill of Lading.

Valuation –

During a normal move process we always instruct the crew to have a valuation selected by the customer before moving begins. We know this creates a large liability issue for everyone involved if this step isn’t completed properly. We will instruct the crews again in the proper procedure. We believe, and you mentioned, the real problem has been when the shipment is going into permanent storage. We have had the shipment liability covered by the warehouse contract which according to our insurance company covers the

shipment from the time it leaves the customer's origin, all the time in storage, back to their local destination or if they pick up from the warehouse dock themselves or by another carrier. The reasoning is, if something was damaged, there is no way to determine in what leg of the move the damage occurred. The other issue is what coverage would the customer have if they selected different amounts on the Bill of Lading, the Warehouse Contract and the Bill of Lading for the redelivery? This happens all the time when the customer decides to have their items moved out of storage and sent out of state involving a Van Line Bill of Lading. We felt that double or triple charging for coverage, when realistically it is already covered and the confusion to the shipper if something is damaged, did a disservice to the consumer.

Even though we believe this does a great disservice to our customers and charges two or three times more than necessary for valuation, we have instructed our staff to follow the tariff rules and not refer to the warehouse contract.

We believe in daily practice, the customer will decide valuation is too expensive and not take any additional valuation or will sign up for different amounts on one of the legs, resulting in more confusion leading to complaints if there is damage to an item in either scenario. We suggest the valuation, if permanent storage is selected, to cover all the way through the process resulting in less expense to the consumer and a more affordable option to protect their goods if something unfortunate does happen during the entire time of the service.

Valuation for SIT –

We have instructed everyone the proper way to instruct the customer where to initial the proper area on the Bill of Lading. We have supplied examples at the time of the estimate and plasticized examples for the customer's information on the day of the move. Hopefully this will eliminate the possibility of an incorrect initial or no initial at all being placed on the bill.

We believe the interpretation that we do not sell the 4 types of valuation for SIT is incorrect. We have never, on any estimate we can recall, sold SIT. The problem lies in when we sell the pros and cons of the different types of storage the customer agrees permanent storage is a better value even if they are going to be in storage under 90 days, but they initial the wrong spot on the Bill of Lading. Then all of the rates and charges quoted on the estimate are incorrect, the Warehouse Contract doesn't apply, valuation options and charges are dissimilar, and different rules and regulations apply resulting in an imbroglio launched into full swing.

We suggest that at the time of the written estimate the sales person could get something signed, including the warehouse contract, as to the option selected so the company and the consumer would get the proper paperwork, contracts and rates during and after the move. This would eliminate the responsibility of the customer and crew to make hasty decisions on the morning of a hectic day.

Rights and responsibility guide –

We agree the customer should be given a guide with every move that has not had a written estimate. We already mail a confirmation letter with a Rights and Responsibility guide enclosed to every over-the-phone rate quote that is scheduled more than 3 days in advance. The crew takes out a guide with them to the job as well. We will again instruct the crew to make sure the customer initials that they received the booklet. We think we are very good at getting the guides distributed as the lack of any comments in the complaint review will confirm, but we fall short on documenting that we gave the customer a booklet.

Storage-In-Transit rates not prorated -

As already stated above, we have never sold SIT, so when this Bill of Lading came in with SIT initialed, we put the shipment into SIT and charged as such. The problem was with our accounting department, who had never seen a local SIT shipment before and naturally prorated the shipment to the day because they didn't want to charge the customer with something they did not receive. We have since educated the department on the proper way to charge the customer for SIT.

Overtime authorization –

We are in the process of redesigning our Bills of Ladings and reprogramming our software to be able to print the forms correctly so the overtime authorization is within the guidelines of the rules and regulations. We will instruct the crew on the proper way to fill out all of the forms to comply with the regulations.

We might suggest that since the written estimate contains all of the information, time and rates associated with their job and the customer has signed that they have received all of the information including the overtime estimated for completion of their job, that they have had enough notification. On the other hand, if there was no overtime listed on the written estimate or they did not have a written estimate, then all of the overtime issues should be covered, but it would be on a supplemental estimate and not needed on both.

Container charges -

We understand and comply with the tariff charges regarding selling of packing material and we will continue to do so. The items in question stated we gave away used wardrobes to a customer - seven "violations" on one job. That is incorrect. We have probably let a customer use an old wardrobe to load clothes at origin during a move and unload at destination at the end of a move, but the customer does not retain them nor do we sell used wardrobes.

This is another area that we believe the tariff fails to recognize what transpires on a daily basis in the industry. Anyone in the industry would incur a huge expense if they gave

away wardrobes on every job. In retrospect, how could anyone justify charging a minimum of \$3.96 for the rental of a used wardrobe during a move when the customer does not retain anything? The other issue is in regards to plastic boxes which are expensive and are never retained by the customer. We do not charge for a dolly or a moving pad, which is used during the move, so why the unsold wardrobe wouldn't used by the customer and not retained, be considered part of the equipment also? In this day and age of recycling and the pressures of more service for less cost, we believe this is a consumer and environmental win-win situation and be encouraged, not discouraged.

Tips and other information on Bill of Lading –

We will instruct the crew they should not have the customer write a gratuity on the Bill of Lading.

We believe this is another area of the tariff or codes that warrants review. In reading the codes, we do not interpret them to state this is not allowed nor do we think they should. During the normal course of business, many issues arise that any other industry would be allowed to record on their bill to the customer. In our industry, we need to collect for simple items like account balances from storage, warehouse handling out, instances when the customer would like to purchase a roll of tape, customer requests paper pads because items are being delivered to a self storage locker, customer has a pillow top mattress which takes special oversize carton where no tariff charge is correct, plastic bags for customer's items to be stored in their garage, parking permits, barricades, the list is endless. In reality, the tariff probably can not encompass every item, request and scenario that can possibly happen during the moving process, and to penalize or give violations for attempting to service the customer would not seem to be what the tariff and codes were intended when they were originally written.

In summary, we will make adjustments to various items of paperwork with some requiring software updates, work on additional training regarding the proper means to record the various items and charges, better documentation to prove we have provided information to the customer, change some of our internal accounting procedures to catch miscalculations or not include some non-tariff items and respond in a more timely manner with requests from the commission. Our estimate of completion is around the middle to end of May.

Besides making our own internal adjustments, we will work with the Washington Movers Conference, our Legislators and our attorney to see if some of the points listed above can be addressed in a more realistic manner considering the conditions the industry is required to apply them on a daily basis. Having a tariff and WAC codes conform more closely to what the industry encounters, but still protect the consumer from unwarranted charges we suspect would be a relief to all parties involved.

We would like to respectfully request some plan from the commission in the future about the perceived disparity of enforcement regarding regulated, tax paying companies for

minor unrelated violations and the rogue unregulated companies that are known about, easy to identify, operating without any oversight and taking business away from regulated companies, but are evidently not addressed until brought to the Commission's attention by the news media. We whole heartily agree there definitely needs to be some governing body to investigate consumer complaints against the industry, but there also needs to be some seemingly overdue proactive enforcement against the companies operating completely illegally.

Please feel free to call me to discuss any of the foregoing or if you have any questions or concerns. We appreciate the extension Betty Young granted us to respond more fully to your letter.

Sincerely,

Larry A. Nelsen
President

✓cc: Betty Young

Attachment C

ESTIMATED COSTS FOR SERVICES

Hansen Bros. Transfer & Storage Co., Inc.

(NON-BINDING)

SEATTLE
10750 Aurora Ave N
Seattle, WA 98133
(206) 365-8183
FAX: (206) 365-1262
www.HansenBros.com

EASTSIDE
6860 Coal Creek Pkwy SE
Newcastle, WA 98059
(425) 277-5500
FAX: (425) 255-1030

SNOHOMISH COUNTY
2902 Lincoln Way
Lynnwood, WA 98087
(425) 776-6176
FAX: (425) 744-8861

Name: **Demetri & Iska Pallis** Phone # _____
E-mail: _____ Cell # _____
Moving From: **SEATTLE WA 98117** Date-Packing: **06/17/10** Time: **AM**
Moving To: **MERCER ISLAND WA 98040** Date-Move: **06/18/10** Time: **AM**
Second pick-up or Delivery: _____ Delivery Req: _____ Time: _____

<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Credit Card <input checked="" type="checkbox"/> Credit Card <input type="checkbox"/> Personal Check <input type="checkbox"/> Other		No. of rooms to be moved: 212 Estimated Weight: 10,500 lbs
INTRASTATE MOVING: (Over 55 miles)		
Tariff No. 15-C Total Cu. Ft. _____ Mch. _____ Estimated Weight: _____ lbs @ _____ lbs No. of Mch. _____ No. of Trucks: _____ Long Distance Carry: _____ Bulky Articles: _____ Extra Pickup: _____ Pallets: _____		FIRST DAY SERVICE: (55 miles or less) PACKING Estimated: 8 hrs for 2 Van(s) Rate: non @ \$158.50 per hour Overtime Rates After 5:00 p.m. Sat, Sun & Holidays Estimated Total Cost: \$1,268.00
RESIDENTIAL STORAGE Estimated Rate per month: _____ Warehouse Handling "In": _____ Warehouse Handling "Out": _____ Storage in Vehicle for _____ days @ _____ per day		SECOND DAY SERVICE: MOVING Estimated: 10 hrs for 2 Van(s) Rate: non @ \$218.40 per hour Overtime Rates After 5:00 p.m. Sat, Sun & Holidays Estimated Total Cost: \$2,184.00
		THIRD DAY SERVICE Estimated: _____ hrs for _____ Van(s) Rate: _____ non @ _____ per hour Overtime Rates After 5:00 p.m. Sat, Sun & Holidays Estimated Total Cost: _____
MATERIAL		ESTIMATED COST SUMMARY
Desks: 15 @ \$15.00 = \$225.00 1/2 Chrs: 25 @ \$3.00 = \$75.00 5/8 Chrs: 20 @ \$4.65 = \$93.00 4/6 Chrs: _____ @ \$5.50 = _____ 3/8 Chrs: _____ @ \$6.50 = _____ Wardrobes: 10 @ \$12.00 = \$120.00 Mattress - Single: _____ @ \$9.00 = _____ Mattress - Double: _____ @ \$11.00 = _____ Mattress - Queen: _____ @ \$21.00 = _____ Mattress - King: _____ @ \$21.00 = _____ Mattress - Gib: _____ @ \$5.25 = _____ Mirror/Picture: _____ @ \$12.00 = \$96.00 Estimated Total Cost: \$489.00	FIRST DAY: _____ SECOND DAY: _____ THIRD DAY: _____ STORAGE (INCL 1ST MONTH & VASE, HDLG, FRY, INTRASTATE MOVING, PACKING MATERIAL, PACKING LABOR, STORAGE (VASE, HDLG, OUT), BRIDGE OR FERRY TOLLS (ESTIMATED)) Subtotal: \$4,038.60 Miscellaneous Charges: _____ Miscellaneous Charges: _____ Miscellaneous Charges: _____ TOTAL ESTIMATED COSTS: \$4,038.60	

This shipment is moving under a non-binding estimate. If the charges shown on the bill of lading exceed the charges on this estimate, the carrier must release the shipment upon payment of no more than 110% of the estimated charges and will extend credit for at least 30 days at which time the remainder is due. Interest and late payment fees may apply. In no case will payment of more than 125% of the estimate plus supplements be required.

Customer's Signature: *[Signature]* Date: _____
Estimator's Signature: *[Signature]* Date: **6/14/2010**

Hansen Bros. Transfer & Storage Co. Inc. Local Non-Binding Estimate Page 2

Hansen Bros. believes that the more information of the moving process exchanged before the move begins is the best possible way to help complete a smooth relocation.

1 **Estimate**

INT.

The estimate provided to you by our relocation consultant is based upon information which you provide. If the items moved or the operational needs of your move change, your estimate is likely to change as well. Per the WUTC, you will be asked to sign a Supplemental Estimate before our crew can proceed. If your move is taking place during non-business hours (weekdays before 8 AM and after 5:00 PM, weekends and holidays), overtime charges will apply. All moving charges include drive time, portal to portal (from our warehouse and back).

Important Notice

This nonbinding estimate covers only the articles and services listed. It is not a warranty or representation that the actual charges will not exceed the amount of the estimate. If you request additional services to complete your move or add articles to the inventory attached to this estimate, the household goods mover must prepare a supplemental estimate which will change the amount of the original estimate and may change the rate on which these new charges are based. Household goods carriers are required by law to collect transportation charges and other incidental charges computed on the basis of rates shown in their lawfully published tariffs, except as provided below:

- (1) A household goods carrier may not charge more than twenty-five percent more than its written nonbinding estimate for time charges for a local hourly rated move nor can the household goods carrier charge more than twenty-five percent more than the written nonbinding estimate for accessorial and other services not related to time, unless the household goods carrier prepares and the shipper signs a supplemental estimate.
 (2) A household goods carrier may not charge more than twenty-five percent above your nonbinding estimate for a long-distance-rated move, unless the household goods carrier prepares and the customer signs a supplemental estimate.

2

Signature of Customer

Your Guide to Moving in Washington State

The carrier gave me or I declined a copy of the brochure "Your Guide to Moving in Washington State"

3

Access

INT.

Although we make every effort to fit our equipment into the space available to perform your move, from time to time it is not possible due to unforeseen circumstances, i.e. construction, elevators, stairs, ect. This may result in additional charges being incurred. You will be asked to sign a Supplemental Estimate before our crew can proceed.

4

Dates & Valuation

INT.

Your packing date(s) will be 6/17/2010 Full Pack Partial Pack Not Applicable (Packed by owner)

Your moving date(s) will be 6/18/2010 Furniture & Cartons Only Furniture

Declared Valuation: \$0.60 per pound per article (no charge)

Full Value Protection of _____ \$300 Deductible (6.00/\$1000)

Full Value Protection of _____ No Deductible (8.50/\$1000)

Your statement of valuation on the bill of lading supersedes any selection on this form. If you select additional valuation, your premium will be added to your already provided "Estimated Cost Of Services" and you will be asked to sign a Supplemental Estimate.

Shipment to be paid by what type of payment at delivery: Credit Card - (Visa or Mastercard Only)

INT.

Cash Personal check Company Paid - prior written authorization needed before booking move. Without credit approval, shipment will be considered COD

The following documents and forms have been received and explained

INT.

A Basic Liability Of The Carrier (And/OR Basic Liability Of The Warehouseman)

B Estimated Cost Of Services C Piece Count Tabulation

D Special Instructions E Business Card(s) Of Relocation Consultant

Your signature below simply confirms that we have reviewed the various items as they pertain to your relocation and that you have received a copy of this non-binding estimate. It does not obligate you to use the services of Hansen Bros. Moving & Storage.

[Handwritten Signature]

SHIPPER - Print Name

SHIPPER'S SIGNATURE

Hansen Bros. Representative

If you select Hansen Bros. for your move, all areas requiring initials or signatures must be completed and either delivered or faxed back to your consultant before the move can be scheduled in our system.

Date

06/14/10

Date

Attachment D

SEP-29-2006 FRI 10:07 AM HANSEN BROS MOVING

FAX NO. 425 255 1030

P. 19

**Hansen Bros. Moving & Storage
Supplemental Estimate**

Binding

Non-Binding

(Household Goods)

Customer's Name Sean Schmidt Origin City Kittland

B/L # 6001
Destination City NCHX

Changes made: Prior to loading At loading At destination

Changes made by: Phone In Person By shipper's agent

Time 3:00 AM PM

***** Please Be Specific & Detailed!!!! *****	Original Estimate	\$
	Additional Services Requested	Estimated Cost Of Changes
Changes in Containers and Packing:		
Changes in Accessorials:		
Changes to Time/Weight:		
Changes in Valuation:	<u>O.T</u> <u>O Ded Valuation</u>	<u>95.00</u>
Other:		
	Adjusted Total	\$ <u>95.00</u>

Use this space to explain any changes to this shipment in more detail. ***** (If necessary) *****

Hansen Bros. Employee Signature [Signature] Date 8-25-06
Customer (or authorized representative) Sean Schmidt Date 8-28-06

Please Read: *** The above changes were made at my request. I fully understand and accept that these changes may increase total costs of servicing my shipment, and that I will be fully liable for paying the total moving charges.

Attachment E

 Binding

Hansen Bros. Moving And Storage Supplemental Estimate

 Non - Binding

Bill of Lading:

Customer's Name: DEMITRI PALLIS

Origin City: seattle

Destination City: Mercer Island

 Changes Made: Prior to loading At the time of Loading At destination

 Changes Made by Phone In Person By Shipper's agent Time: _____

******* Please Be Specific And Detailed *******

	Original Estimate	\$4,038.60
	<u>Additional Services Requested</u>	<u>Estiamted Cost Of Charges</u>
Changes in Containers and packing	Add \$100.00 for extra parking mat.	\$100
Changes in Accessorials:	Add 2 Hours @ \$218.40	\$436.80
Changes to Time / Weights		
Changes in Valuation		
Other		
	Adjusted Total	\$ 4575.40

Use this space to explain any changes to this shipment in more detail ***** (If nessessary) *****

 Hansen Bros. Employee Signature  Date: _____

 Customer (or authorized representative)  Date: _____

Please Read: The above changes were made at my request. I fully understand and accept that these charges may increase total costs of my serviceing my shipment, and that I will be fully liable for paying the total moving charges.

Attachment F

HANSEN BROS. TRANSFER & STORAGE CO. INC. Permit No. 1782 BILL OF LADING 66382

Customer: This bill of lading establishes a contract between you and the hauler of goods carrier. It confirms instructions and authorizes the carrier to move, pack, store and/or perform services shown. Before you sign this document it is important that you first read the entire document, including the back, and that you ask for an explanation of anything that is not clear or that is different from any previous bill of lading received from the carrier or carrier's representative(s). This contract is subject to the conditions on the back of this form.

FROM DEMITRI PALLIS
SEATTLE, WA 98117

TO DEMITRI PALLIS
MERCER ISLAND, WA 98040

Hourly Rated Warehouse Assigned to: SEATTLE Safes Person: Prospect No.

Date	Personnel	Van(s)	Start	Arrive	Leave	Depart	End	Rate	Total
6/17/10	3	1	8:00	8:30	1/2	4:30	5:00	5 1/2	\$155.50
6/18/10	4	2	8:00	8:30	1/2	5:45	6:45	10 1/4	\$218.00
									2238.00

STORAGE - If shipment will be placed in storage, the customer must initial the option selected.

This shipment is to be placed in storage for a period of less than 90 days (storage in transit).

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

This shipment is to be placed in storage in transit for an unknown period of time. I understand that on the 91st day of storage the shipment becomes permanent storage.

DECLARATIONS (Customer must initial preferences)

Rights and Responsibilities Guide
The carrier gave me or I declined a copy of the brochure "Your Guide To Moving in Washington State".

Liability of the carrier or warehouseman
The carrier gave me or I declined a copy of the brochure "Basic Liability of The Carrier or Warehouseman".

Overtime Authorization
I understand my move requires overtime to complete and agree to the additional charge.

Supplemental Estimate
I understand additional charges are required to complete my move and agree to pay the additional charges. Estimated Service Increase \$ _____

VALUATION (Customer must initial option selected)

BASIC VALUE PROTECTION I release this shipment to a carrier of 60 cents per pound per article, with no cost to me for the protection.

I declare a lump sum total dollar valuation of the entire shipment of \$ _____ and select the following option:

REPLACEMENT COST COVERAGE WITH \$300 DEDUCTIBLE - This option will cost \$ _____. The value of the shipment must be at least \$500. The value of the shipment must be at least \$500.

REPLACEMENT COST COVERAGE WITH \$0 DEDUCTIBLE - This option will cost \$ _____. The value of the shipment must be at least \$500.

ESTIMATES (Customer must initial option selected)

I understand this shipment is moving under a non-binding estimate. If the charges shown on the bill of lading exceed the charges on the non-binding estimate given by the carrier, the carrier must release the shipment to me upon payment of no more than 110% of the estimated charges and will extend credit for 60 days in which I must pay the remainder due. In no case will I be required to pay more than 125% of the estimate (plus supplements).

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

I have read and understand this contract thoroughly, and release my goods to the carrier subject to the terms and conditions thereof.

Signature of Driver: _____ Date: 6/17/10

Signature of Customer: _____ Date: 6/17/10

CREW SECTION

Date	Driver	Helper	Equip No.
6/17/10	Burgott	Isbell	Brom
6/18/10	Burgott	Isbell	67E
	Jake	Sean (LW)	Brom

PACKING MATERIALS

Quantity	Rate	Amount
7		\$105.00
45	\$15.00	\$675.00
46	\$3.00	\$138.00
5	\$4.65	\$23.25
	\$5.50	\$27.50
4	\$6.50	\$26.00
	\$12.00	\$12.00
	\$12.00	\$12.00
	\$5.25	\$5.25
	\$9.00	\$9.00
	\$11.00	\$11.00
	\$21.00	\$21.00
	\$21.00	\$21.00
Total Packing		\$1529.40

ADDITIONAL SERVICES

Over time Date	Rate	Amount
6/17/10	1/2 Hour of 3 men	\$21.30
6/18/10	2 1/4 DT - 4 men	\$278.00
Ferry or Tolls		
Transportation Valuation		
Total Charges		\$2473.50
Received		
Balance Due		

PAYMENT METHOD: Cash _____ Check _____ Visa/Mastercard

Credit Card No. _____

Expiration Date 06/12 Check # _____

All goods were received in good condition, except as noted on this contract or on the inventory form. All charges are mandated by WUTC tariff No. 15 and are subject to final audit.

DELIVERY RECEIPT

Signature of Customer: _____ Date: 6/18/10

Seattle Office: 12945 Stone Ave N, Seattle, WA 98133 Tel: (206) 365-8163 • Fax: (206) 365-1252

Main Office: 5880 Coal Creek Pkwy, Newcastle, WA 98059 Tel: (425) 255-1451 • 1-800-250-2361 • Fax: (425) 255-1451

Snohomish County Office: 2809 Lincoln Way, Lynnwood, WA 98037 Tel: (425) 775-0176 • Fax: (425) 744-0061

ORIGINAL BILL OF LADING IMPORTANT TERMS AND CONDITIONS ON BACK ->