



STATE OF 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

June 12, 2015

Steven V. King, Executive Director and Secretary
Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P.O. Box 47250
Olympia, WA 98504-7250

RE: *Washington Utilities and Transportation Commission v. Air Van Moving & Storage, Inc.*

Commission Staff's Response to Request for Hearing TV-150872

Dear Mr. King:

On May 26, 2015, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket TV-150872 against Air Van Moving & Storage, Inc. for 10 violations of Washington Administrative Code (WAC 480-15-480), which requires household goods carrier companies to furnish annual reports to the commission no later than May 1 each year.

On June 5, 2015, Air Van Moving & Storage, Inc. wrote the commission requesting a hearing disputing the violation occurred. In its hearing request, the company states, "The form was filled out and payment made. A late penalty was assessed and payment made. Apparently an email was sent to me which I did not receive. It looks like a typo for the last letter of the email address and I did not receive any notice of incompleteness. The violation was for mileage and in the all the years we have filed we always responded to the mileage question in the same way, and have never had any questions raised or negative responses to it. If this is no longer an acceptable response, then we will make changes to accommodate the needed change".

It is the company's responsibility to ensure that the regulatory fee is paid and the annual report is filed by the May 1 deadline. On February 27, 2015, Annual Report packets were mailed to all regulated household goods companies. The instructions for annual report completion page of the annual report informed the regulated company that it must complete the annual report form, pay the regulatory fees, and return the materials by May 1, 2015, to avoid enforcement action.

¹See Attachment A for a copy of the 2013 Annual Report submitted by Air Van Moving & Storage, Inc.

²See attachment B for a copy of email communications sent on May 5, 2014 and May 12, 2014

On May 6, 2015, Air Van Moving & Storage, Inc. filed an incomplete 2014 annual report and paid the required regulatory fees and late payment fees. The mileage information omitted from Schedule 1 of the 2014 report, which resulted in the report being incomplete, was also omitted from the 2013 report¹. However, commission staff contacted the company regarding the 2013 report requiring the information be submitted on May 5, 2014 via email. The company complied on May 12, 2014 via email². During the 2013 reporting year, Air Van Moving & Storage, Inc. was assessed a penalty for failure to file the report by the May 1 deadline under TV-140937. However, the company was only penalized for the days delinquent after May 1 until the initial filing on May 5, 2014 as previous year annual reports were accepted by the commission without the mileage information.

Air Van Moving & Storage, Inc. previously missed the deadline for filing its annual report and paying its regulatory fees for the 2013, 2012 and 2009 annual report years. Due to the prior violations of WAC 480-15-480 and prior notification of required mileage data, staff does not support mitigation of the penalty. As of June 12, 2015, the company has also failed to respond to the now known deficiency contained within the 2014 annual report. However, as commission staff failed to notify the company of the discrepancy due to a typo of the email address, staff would be amenable to reduce the penalty from \$1,000 for 10 violations of WAC 480-15-480 to \$300 for 3 violations to reflect the annual report being received by the commission on May 6, 2015 subject to the submission of the missing mileage information.

If you have any questions regarding this recommendation, please contact Amy Andrews, Regulatory Analyst, at (360) 664-1157, or aandrews@utc.wa.gov.

Sincerely,



Sondra Walsh, Director
Administrative Services

**HOUSEHOLD GOODS CARRIERS
2013
ANNUAL REPORT**

FOR

Air Van Moving & Storage, Inc.
(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

2340 130th Ave NE, Suite 201
(OFFICIAL MAILING ADDRESS)

Bellevue
(CITY)

WA
(STATE)

98005
(ZIP)

Please check if address listed above is an updated address

Report Year Ended: December 31, 2013

Inquiries concerning this Annual Report should be addressed to:

Name/Title: Carolyn J Pearson / Controller
Address: 2340 130th Ave NE, Suite #201
City: Bellevue
State/Zip: WA 98005
Telephone: 425-629-4101
Email: cpearson@avline.net

SUBMIT TO:
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
PO Box 47250
Olympia, WA 98504-7250

File online: www.utc.wa.gov

WASHINGTON



UTILITIES AND TRANSPORTATION
COMMISSION

REPORT MUST BE RECEIVED NO LATER THAN MAY 1, 2014

Please refer to the Instructions for Completing the Annual Report on Page 2

INSTRUCTIONS FOR ANNUAL REPORT COMPLETION

Commission Authority

The purpose of this form is to collect financial and operational information from household goods companies regulated by the Washington Utilities and Transportation Commission (UTC). The commission's authority for requiring this report is found in RCW 81.04.080. This report is a non-confidential public use form.

Certification

The Annual Report Certification must be signed by an authorized officer, partner or owner.

Regulatory Fees

Regulatory fees are set by commission order A-140188.

Deadlines and Penalties

All household goods companies regulated by the UTC are required to complete this form, including all schedules. Failure to complete all schedules will result in the report being considered incomplete and subject to penalties. Completed forms and regulatory fee payments must be received by the UTC no later than **May 1, 2014**. Failure to file the annual report by the above deadline will result in a financial penalty of \$100 for each business day after May 1. Failure to pay the regulatory fees by the above deadline will result in a 2 percent penalty on the amount due and a 1 percent monthly interest charge on the unpaid balance.

Extension Requests

You may file a written request for an extension to file the completed annual report; however, the commission will not extend the deadline for paying regulatory fees. Any extension request must be filed with the commission by **April 17, 2014**, and must state a valid reason for why the extension is needed and identify a specific date which the report will be filed with the commission. The commission will notify you by April 24 whether your request is approved or denied. Even if your request is approved, you will still be liable for penalties and interest payments if you fail to pay your regulatory fees by May 1. To file your extension request online visit:
<http://www.utc.wa.gov/docs/Pages/ElectronicFiling.aspx>

No longer operating in Washington

You may cancel your registration or permit by using the Voluntary Cancellation Form available at:
<http://www.utc.wa.gov/regulatedIndustries/transportation/householdGoods/Pages/default.aspx>
However, if your company operated in Washington at any time during the 2013 calendar year, you must pay regulatory fees and file a closing annual report based on the months of operation during 2013.

Confidential Status

Household goods companies are not permitted to file annual report documents as confidential. If a company regulated under RCW Title 81 submits its annual report or fee sheet as confidential, the commission will reject that submission and will not consider the report to be filed until the date the company submits the report and all required documents and information without any designation of confidentiality. If that date is after May 1, the company will be subject to the penalties described above. The commission will not disclose credit card information, if included, on the Payment Information Page or via online filing.

Electronic Filing and Payment

To obtain an electronic format of the report, submit a report online or pay your regulatory fees online visit:
www.utc.wa.gov/regulatedIndustries/pages/annualreports

Staff Contact

Rae Lynn Carnes at (360) 664-1152 or rcarnes@utc.wa.gov
TTY Toll-Free phone number 1-800-416-5289

ANNUAL REPORT CERTIFICATION

(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)

I, the undersigned Carolyn J Pearson
 Responsible Account Officer (Please Print)
 of Air Van Moving & Storage, Inc.
 Name of Company

have examined the foregoing report; that, to the best of my knowledge and belief, all statement of fact contained in said report are true and said report is a correct statement of the business and affairs of the above-names respondent in respect to each and every matter set forth therein during the period from January 1, 2013, to December 31, 2013, inclusive.

Controller
 Title
 (please print)
425-429-4101
 Telephone Number

Carolyn J Pearson
 Signature
 (please type if filing electronically)
5-1-14
 Date

GENERAL INFORMATION

Washington Unified Business Identifier (UBI) No.: 6000-464-824
 (If you do not know your UBI No. please contact Business Licensing Service at 1-800-451-7985 or BLS@dor.wa.gov)

Business Structure (please check the appropriate designation):
 Individual / Sole Proprietor Partnership Other (LP, LLP, LLC) Corporation Nonprofit Corporation

List the name, title, and percentage of partner's share or stock distribution for major stockholders. If LLC, list members and percentage of ownership.

Name	Title	Percent / Shares / Stock / Ownership
Beno S. Galvagno	CEO	25
Steven M. Galvagno	President	25
Marc O. Galvagno	Exec VP	25
Therese M. Galvagno	Sr. VP	25

SCHEDULE 1

(complete all information for the year 2013)

Staff Contact Information

Safety Director Name: Harmon Meeker Phone: 425-629-4101
 Claims Manager Name: Harmon Meeker Phone: 425-629-4101

Vehicle and Mileage Information

Driver and Vehicle Information		Mileage Information	
Drivers employed	19	Total Operating Miles	
Total vehicles operated	17	Intrastate	we don't track
Total vehicles owned	13	Interstate	NANL keeps track
Total vehicles leased	4	<i>Intrastate: Trips that operate exclusive within WA</i>	
Total vehicles under 10,000 lbs. (gvw rating)	2	<i>Interstate: Trips that operate outside of WA</i>	

500 email

Recordable Intrastate and Interstate Accidents

Recordable Accidents	Intrastate	Interstate
A fatality		
An injury to a person requiring immediate treatment away from the scene of the accident		
Disabling damage to a vehicle, requiring it to be towed from the accident scene		
Total number of recordable accidents	0	0

General Operations

Terminal Facilities	Storage Facilities
Do you operate terminals at locations other than the primary address of record? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Do you operate your own storage facilities? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<i>If yes, list (or attach list) the address of each terminal located in Washington State:</i>	<i>If yes, list (or attach list) the address of each warehouse located in Washington State:</i>
1810 E Alinsworth, Pasco, WA 99301	Same
1519 St Paul Ave, Tacoma, WA 98421	Same

Interstate Operations	Agent Operations
Do you have interstate operating authority? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Do you operate as the agent of an interstate carrier? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<i>If yes, list your MC#:</i>	<i>If yes, what is the name of the carrier:</i>
MC#: 118474	Carrier Name: north American Van Lines

Household Goods Moves

	Total Company	Intrastate (WA only)
Number of household goods moves completed during the year	550	45
Number of written estimates issued during the year	550	45
Number of Loss and/or Damage Claims received during the year	25	6

Cargo Insurance

Cargo Insurance Company Name: Travelers Property & Casualty of America
 Cargo Insurance Policy Number: QT6308 448 L 334 T 1 L 14

SCHEDULE 2

(this schedule is MANDATORY unless reporting "\$0" revenue)

OPERATING REVENUES		
1	Gross Washington Intrastate Operating Revenue	647,513.60
2	Non-Fee Paying Revenue	-
3	Balance-Adjusted Gross Intrastate Operating Revenue (Line 1 minus Line 2)	647,513.60
OPERATING EXPENSES		
4	Total Salaries and Wages	1,343,710.88
5	Total Payroll Taxes and Related Expenses	
6	Total Payroll Fringe Benefits	344,451.82
7	Fuel, Including Fuel Tax	217,807.11
8	Oil and Lubricants; Repairs; Vehicle Parts and Outside Maintenance; Tires and Tubes; Other Operating Supplies and Expenses	120,552.93
9	Total General Supplies & Expenses	334,130.52
10	Total Operating Taxes & Licenses	23,010.90
11	Total Insurance & Safety	76,930.14
12	Total Communications & Utilities	79,381.11
13	Total Depreciation & Amortization	94,759.77
14	Total Operating Rents	320,633.23
15	Gain or Loss on Disposition of Operating Assets	(3549.27)
16	Legal Services	73.75
17	Accounting Services	
18	Uncollectible Revenue; Other Miscellaneous Expenses and Professional Fees	270,749.46
19	TOTAL OPERATING EXPENSES (Total of Lines 4 through 18)	3,222,302.35
20	NET CARRIER OPERATING INCOME (Line 1 minus Line 19)	(2,574,788.75)
OTHER INCOME AND DEDUCTIONS		
21	Other Income (Credit) <i>Describe:</i>	2,798,623.76
22	Interest Expense	46,185.92
23	Corporate Income Tax	
24	Other Deductions <i>Describe:</i>	
25	INCOME DEDUCTIONS (Total of Lines 21 through 24)	
26	NET INCOME (Line 20 minus Line 25)	177,649.09

REGULATORY FEE CALCULATION SCHEDULE

Due May 1, 2014

Company Name AIR Van Moving & STORAGE, INC.

Annual Report Year
2013

In accordance with RCW 81.24.010 and 81.24.321 "Regulatory Fees", the Commission requires Household Goods companies to file reports of gross intrastate revenue and pay fees on that revenue. Every company subject to regulation shall file with the Commission a statement under oath showing its gross intrastate operating revenue from operations for the preceding year and pay to the Commission a fee as instructed below. There is no minimum fee.

Regulatory Fee Calculations

1 Total Gross Intrastate Operating Revenue** (From Schedule 2, Line 1)	<u>647,513.60</u>
2 Less Non Fee-Paying Revenue (from Schedule 2, Line 2)	<u> </u>
3 Balance-Adjusted Gross Intrastate Operating Revenue (Line 1 minus Line 2)	<u>647,513.60</u>
4 Adjusted Gross Intrastate Operating Revenue x .25%	<u>647,513.60 x 0.0025 = 1618.78</u>

Agency Use Only 001-111-0268-207-11

Penalty & Interest Calculations

5 Penalties on Regulatory Fees being paid after May 1			
5a Total Penalties on Regulatory Fees owed (enter amount from Line 4 x 2%)	_____	x	0.02 _____
6 Interest on Regulatory Fees being paid after May 31			
6a Amount from Line 4 x Number of months past May 31 x 1%	_____	x	_____ x 0.01 _____
7 Total Penalties and Interest owed (Line 5a plus Line 6a)	_____		
8 Total Regulatory, Penalties and Interest Fees Due (Line 4 plus Line 7)	_____		

Agency Use Only 001-111-0268-207-11

****Note:** Gross Washington intrastate operating revenue is defined as all revenue collected for the year from rates under Washington Utilities and Transportation Commission Tariff 15C. The revenues subject to the Commission's regulatory fees are gross Washington intrastate operating revenues before deductions for uncollectibles, unbillables, or the payment of state and federal taxes.

COMMISSION USE ONLY

Reception #:	_____	001-111-0268-207-01	_____
Reference:	<u>AR2013</u>	001-111-0268-207-11	_____
Payment ID:	_____	001-111-0268-032-20	_____
		Total Paid:	_____

ATTACHMENT B

Andrews, Amy (UTC)

From: Carolyn Pearson <cpearson@avllinc.net>
Sent: Monday, May 19, 2014 12:40 PM
To: Andrews, Amy (UTC)
Subject: RE: Incomplete Annual Report Notification for Air Van Moving & Storage

Navl is northAmerican Van Lines and they keep track of
All of our interstate mileage. Our intra state mileage was
3721.

Carolyn Pearson

Controller
cpearson@avllinc.net
Air Van Lines Inc.
425.629.4111 (p)
425.629.4120 (f)
www.avllinc.net
A Moving2Green Company

Air Van Confidential / Privacy Notice

This message, including any attachments transmitted with it, is confidential and intended solely for the use of the addressee. This message may contain protected or privileged material that should be viewed only by the intended recipient(s). If you are not an addressee, or if you have received this message in error, please be advised that any disclosure, copying, distribution, use, or taking of any action in reliance on the contents of this message is strictly prohibited.

If you have received this message in error, please notify the sender by return e-mail and delete this message from your computer.

 Please consider the environment before printing this e-mail

From: Andrews, Amy (UTC) [mailto:aandrews@utc.wa.gov]
Sent: Monday, May 12, 2014 9:22 AM
To: Carolyn Pearson
Subject: RE: Incomplete Annual Report Notification for Air Van Moving & Storage

Carolyn,

I have one question for your mileage information. What/Who is NAVL? The commission requires the mileage information to be provided.

Thanks,

Amy Andrews

Fiscal Analyst
Utilities & Transportation Commission
PO Box 47250
Olympia, WA 98504-7250
☎ 360.664.1157
☎ 360.664.1289
🌐 www.utc.wa.gov

From: Carolyn Pearson [<mailto:cpearson@avlinc.net>]
Sent: Thursday, May 08, 2014 12:10 PM
To: Andrews, Amy (UTC)
Subject: RE: Incomplete Annual Report Notification for Pratt Moving & Storage Inc.

Amy, here is the report with the numbers filled in for moves.

Thanks for your patience, summer has arrived!

Carolyn Pearson

Controller
cpearson@avlinc.net
Air Van Lines Inc.
425.629.4111 (p)
425.629.4120 (f)
www.avlinc.net
A Moving2Green Company

Air Van Confidential / Privacy Notice

This message, including any attachments transmitted with it, is confidential and intended solely for the use of the addressee. This message may contain protected or privileged material that should be viewed only by the intended recipient(s). If you are not an addressee, or if you have received this message in error, please be advised that any disclosure, copying, distribution, use, or taking of any action in reliance on the contents of this message is strictly prohibited.

If you have received this message in error, please notify the sender by return e-mail and delete this message from your computer.

 Please consider the environment before printing this e-mail

From: Andrews, Amy (UTC) [<mailto:aandrews@utc.wa.gov>]
Sent: Monday, May 05, 2014 3:21 PM
To: cpearson@avlinc.net
Cc: Andrews, Amy (UTC)
Subject: FW: Incomplete Annual Report Notification for Pratt Moving & Storage Inc.

Carolyn,

Please provide the information on Schedule 1 and resend the form (email will be accepted). However, please make sure to provide the number of moves, estimates and loss claims for total company and intrastate only. If information is zero, please indicate as such.

If you have any further questions, please feel free to contact me.

Thank you,

Amy Andrews

Fiscal Analyst
Utilities & Transportation Commission
PO Box 47250
Olympia, WA 98504-7250
 360.664.1157
 360.664.1289
 www.utc.wa.gov

From: Anderson, Kim (UTC)
Sent: Monday, May 05, 2014 3:16 PM

To: Andrews, Amy (UTC)
Subject: FW: Incomplete Annual Report Notification for Pratt Moving & Storage Inc.

Kim Anderson
Finance Manager
Administrative Services Division
WA Utilities & Transportation Commission
(360)664-1163



From: Carolyn Pearson [<mailto:cpearson@avlinc.net>]
Sent: Monday, May 05, 2014 3:04 PM
To: Anderson, Kim (UTC)
Subject: RE: Incomplete Annual Report Notification for Pratt Moving & Storage Inc.

I apologize for the oversight, it is 550 moves. Do I need to re-scan
The report with that written in or is this ok?

Thank you.

Carolyn Pearson
Controller
cpearson@avlinc.net
Air Van Lines Inc.
425.629.4111 (p)
425.629.4120 (f)
www.avlinc.net
A Moving2Green Company

Air Van Confidential / Privacy Notice

This message, including any attachments transmitted with it, is confidential and intended solely for the use of the addressee. This message may contain protected or privileged material that should be viewed only by the intended recipient(s). If you are not an addressee, or if you have received this message in error, please be advised that any disclosure, copying, distribution, use, or taking of any action in reliance on the contents of this message is strictly prohibited.

If you have received this message in error, please notify the sender by return e-mail and delete this message from your computer.

 Please consider the environment before printing this e-mail

From: Anderson, Kim (UTC) [<mailto:kanderso@utc.wa.gov>]
Sent: Monday, May 05, 2014 12:26 PM
To: cpearson@avlinc.net
Cc: Anderson, Kim (UTC)
Subject: Incomplete Annual Report Notification for Pratt Moving & Storage Inc.

Dear Regulated Company,

On February 28, 2014 the Utilities and Transportation Commission (commission) mailed you an Annual Report. The report and fees are due by May 1, 2014.

A review of your annual report submitted on May 5, 2014 indicates it is incomplete.

- Schedule 1, Household Goods Moves, information of number of moves is missing

Commission staff may recommend enforcement action, which includes penalties of up to \$100 per day, against any company that does not file a completed annual report. In order to avoid enforcement action, the commission must receive your completed report no later than May 1, 2014.

If you have any questions about your annual report please call me at (360) 664-1153 or e-mail at kanderso@utc.wa.gov

Kim Anderson

Finance Manager
Administrative Services Division
WA Utilities & Transportation Commission
(360)664-1153



