



RECEIVED  
IRRC

5900 N. Cannon Avenue  
Lansdale, PA 19446  
(800) 445-2121  
Fax (215) 340-9330  
www.hughesrel.com

2013 DEC 10 AM 9:39

Agents for United Van Lines and  
Mayflower Transit

3041

November 24, 2013

Office of the Secretary  
Pennsylvania Public Utility Commission  
PO Box 3265  
Harrisburg, PA 17105

L-2013-2376902

RECEIVED  
2013 DEC -2 11:11:40  
PA P.U.C.  
SECRETARY'S BUREAU

Dear Secretary,

In response to your request for comments concerning the Proposed Rule Making for Household Goods Carriers in the Commonwealth of Pennsylvania I would like to go on record as being generally in support of the proposal. However, I do have some concerns. My Company has been a licensed carrier since 1979. When I started the business I made a substantial investment when I purchased the Operating Authority. While that was painful at the time, in retrospect I believe that it was a very good thing as it demonstrated a commitment to invest in the business, abide by the rules and provide great service to the moving public. Based on that experience, one of my concerns is that under the rule change now being considered the lower barrier to entry will result in an influx of operators who may lack the necessary dedication and financial commitment. Pennsylvania has so far avoided the plague of rogue movers and brokers that has damaged the interstate market and I am afraid that this will be an open invitation to them. I also believe that out of state operators will flood the market. Although they may be able to demonstrate technical and financial fitness, these border operators will come into Pennsylvania without paying fuel taxes, payroll taxes and other PA business taxes. They will have no brick and mortar investment in facilities and their vehicles will be licensed in neighboring States. This will put PA carriers at a competitive disadvantage as well as deprive the Commonwealth of critical revenue sources. Furthermore, their out of State locations will make it difficult and costly for the PUC to conduct fitness and complaint investigations. Applications will not be limited to Movers just over the border. The large National Van Lines and Relocation Services will want to participate and their headquarters are far beyond the borders of Pennsylvania.

I believe that there may develop an issue with "cherry picking". Movers in PA are obligated to provide service on a year round basis. We live and work in our communities and understand the important role that our services provide. An out of state Mover or casual operator has no such commitment. They can pick and choose when and if they will provide service. Because of the seasonal nature of the moving business they will be motivated to compete in the off season when business is scarce. Also, some relocation's are more profitable than others. The four room local move does not have the same economic value as a much larger residence moving across state. There is a possibility

that cut throat competition on the large moves will result in price increases on the smaller ones. While competition is good, a perpetual dog fight over off season business or moves with high economic value can only be harmful.

I am also concerned about the proposed fitness requirements. What, exactly, will they be? These will need to be defined and the standards must be high. Two years experience in the moving industry, for instance, may not mean very much. Far more valuable would be a requirement that a candidate demonstrate proficiency in DOT and PUC regulations as well as general business knowledge. Also, what constitutes financial fitness? A lack of operating capital is the principal reason that a start up business venture fails. Sufficient operating capital should be a part of the requirement as well as personal guarantees and respectable credit scores.

I do not propose that new or out of state operators be banned. Competition is a good thing. I strongly believe, however, that the entry costs to operate in Pennsylvania should be set sufficiently high so as to discourage the casual and/or predatory operator. There should be a requirement that a carrier operating in PA maintain a physical presence. They should register and license their operating equipment with PA tags. They should prove that they have the financial resources to meet payrolls and pay bills for a sustained period of time. Their industry knowledge should be tested, particularly in regards to DOT and PUC safety regulations. Finally, the application fee should be set very high so as to be a discouragement rather than an inducement as well as to underwrite the expense of fitness investigations and follow ups by PUC enforcement officers.

Thank you for your consideration. As stated, I believe that most of the changes being contemplated are proper and timely. However the Commission should move ahead as cautiously as possible. The potential for harm is great, not only to the financial health of PA carriers but to the moving public as well.

Sincerely,

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

Robert M. Hughes  
President