

O'Brien's Moving & Storage

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Headquarters:
7066 Snowdrift Road
Allentown, PA 18106

3041

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Phone: 800-729-9340

Fax: 610-391-0311

E-mail: info@obriens-moving.com

www.obriens-moving.com

December 18, 2013

Rosemary Chiavetta
Office of the Secretary
PA Public Utility Commission
P O Box 3265
Harrisburg, PA 17105-3265

Dear Secretary Chiavetta:

This is in response to the PA PUC proposed regulation #57-298 "Household Goods in Use Carriers and Property Carriers" (IRRC #3041). In reading the proposed rule making bulletin, I'm seriously trying to figure out the thought process. Seems as if you are attempting to cure the symptoms, not the problem. I keep reading references to "in light of the increased competition in this industry". What? Competition by "fly by night, illegal movers"? Where is this coming from? Then I read how states such as New Jersey, Maryland, and Ohio have done the same thing the PA PUC is discussing. Let's discuss New Jersey as a PA licensed mover and NJ licensed mover, I can assure you that the PA PUC "regulatory authority" is woefully inadequate compared to the NJ Division of Consumer affairs. Movers in New Jersey fear the Division of Consumer affairs, as lack of performance in many areas will result in the loss of your license. The PA PUC? Besides collecting the PUC assessment and despite an expense budget that has almost doubled in 5 years, there is almost zero enforcement. The enforcement officers do a wonderful job in responding to our complaints on illegal movers. Then they have to deal with the inept PUC enforcement, which is pathetically inept and without teeth. So the theory is you are going to open it up to hundreds more movers (that currently don't have the manpower to handle and don't have the enforcement rule making laws, in effect to discipline them, and apparently don't have the budget to regulate in even close to a reasonable expectation). Sounds like a great idea. Let's discuss the "in light of the increased competition in the industry" repeated statement. Really? Did anyone bother to check reality. In the areas in PA where I have authority, such as Bucks, Montgomery, Chester, Delaware, and Philadelphia counties there are at least twice as many licensed movers in these counties as there are in the corresponding counties that we cover in NJ. Don't believe it - check it out for yourself. So there is less competition, and that benefits the consumer how exactly?

Want a shining example of how functional the PUC currently is? You overcharged all the movers on the most recent assessment. So I called to inquire about and I am told in exact words "No the calculation (assessment) is correct it was just a typo in the General



Other Locations:

O'Brien's Moving and Storage, Leesport, PA

O'Brien's Moving and Storage of NJ, Lebanon, NJ

Assessment Factor". A factor that is computer generated and carries down to the total. Wow. The calculation was not correct. So now you are going to attempt to tackle this?

By the way, thank you for footnote #3 of page 15 of the proposal. "Of the 278 currently certified household, only 38 have revenues above the \$500,000 threshold." Silly me. That sure seems like a competitive, non-monopolistic marketplace in the State of Pennsylvania, but hey thanks for the ammo.

Claims. Do you know the one good thing about pirate movers? The understaffed PUC does not have to deal with damage to customer goods. Why? Because they don't carry insurance, and even if they would, the consumer can't turn to the PUC because they aren't licensed. So how is the PUC going to handle the onslaught of claims for hundreds of additional movers? Add additional staff? Might want to check with the FMCSA and the onset of the internet and see how that is working out. Does anyone really think these new "movers" will not cause an influx of claims – that you cannot handle?

Price. What is the thought process here? Are they going to be required like the State of NJ to publish a tariff that they have to abide by? A tariff that they cannot exceed. Might want to think about this before proposing rule making changes. Let's see, the customer is quoted a price and the actual price doubles. The customer protests. Does the PUC have the manpower to deal with this?

Quotes. Has the PUC put any thought process into this? Obviously not. Most of the new "movers" that will become licensed to move under the proposed change DO NOT have any sales staff and will do a phone estimate. Does anyone realize these are not in any way accurate? Are you going to require a physical estimate? How are you going to enforce?

Does Glose Moving & Storage think some of the antiquated PUC moving laws need to be changed? Yes. Do we have any problem with legitimate movers competing with us? No. Are we afraid of competition? Just the opposite; bring it. I would love a few more movers in the area to cherry pick from their employees. Since we treat our employees the right way, and pay them properly and give them benefits more movers would work like a free recruiting service for us. Want to have intelligent, meaningful discussion on what constitutes a "legitimate mover" that benefits the consumer? Here it is. Make them compete on a level playing field. This is what NJ does, by the way.

- 1) Own (not lease) moving trucks.
- 2) Maintain an actual facility to store the trucks (not in the street and a warehouse to store the customer's goods (not left on truck). The State of NJ requires a copy of a lease with license application and renewal.
- 3) Adequate insurance. Not just cargo insurance with a limit of \$500,000, but umbrella insurance (with a minimum limit of \$2 million) to cover all accidents. As important, proof of workmen's compensation insurance – you do get it is the law in PA. In this way, they would not be able to use cash employees that do not have to pass background check and deny the state of PA revenues in the form of

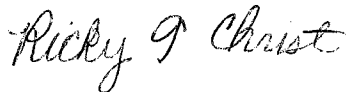
taxes and contributions to the state workmen's compensation fund. No insurance carrier will insure anyone without a payroll and financial statements proving revenue.

- 4) Background checks. Almost without exception, whenever we attempt to hire an "illegal mover" employee, they don't pass the background check – for various offenses. Theft, DUI, etc. might be reasons to require this driver or helper. To carry insurance, legitimate companies are required to get everyone approved.
- 5) Health Insurance Required. Oh Obamacare; amazing the similarities here. Sure seemed like a good idea when it was written on a napkin at a bar one night. Except now it's time to execute. How's that working out? Another benefit that pirate movers have is no health insurance coverage requirements. Hence, another unfair advantage to offer a lower price.

In conclusion, don't attempt for reasons unknown, to cure the symptoms – not the problem. The problem is the lack of capability of the PUC in it's current form to handle what they are proposing. It is not the licensed movers. So if the PUC addresses the consequences of the proposed rule making and puts in the above requirements so that the "playing field" is level and fair, I think we could have meaningful dialogue on what should be changed.

What you might want to think about first is how to enforce the real problem you have – illegal movers. That is costing the state millions in uncollected payroll taxes, PUC assessments, workmen compensation dollars for the state fund, etc. This proposal does nothing to help revenues. It isn't going to make more people move; it just disperses the supply of moves up among more movers.

Sincerely,



Ricky T. Christ, President
Glose Moving & Storage, Inc.

cc: IRRC
Jack McGraff, PMSA