

Dear Secretary Chiavetta:

Attached, please find my letter of testimony as it pertains to the above mentioned Docket and Household Moving regulations in the State of Pennsylvania. I am willing to fly out and testify in person if it would be helpful in any way.

Very Sincerely.

Jon C Sorber

Executive Vice President (one of the original two men) TWO MEN AND A TRUCK® / INTERNATIONAL, Inc.

Board of Directors, American Moving and Storage Association (AMSA)

Vice President, Michigan Movers Association (MMA)



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## History of Household Goods Regulation:

The ICC was created by the Interstate Commerce Act in 1887 to regulate the railroads. In 1906 the ICC was authorized to set minimum and maximum rates charged by railroads in order to stop predatory pricing. At that time, it was also established that any new players would have to "prove need" in order to enter the rail transportation business. "Proving need" protected the, then current players, from competition and later created a federally protected/sanctioned monopoly.

Later, in the 1930s, in an effort to thwart competition from non-rail, unregulated, competitors such as trucks and freighters, Inter and Intrastate trucking (including Household Goods) was rolled into the same ICC regulations that the rail companies had to follow.

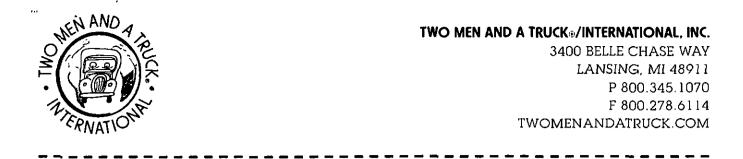
In 1980, seeing the damage that was being done to our nation's transportation companies by the ICC regulations, President Carter signed into law The Motor Carrier Regulatory Reform and Modernization Act, more commonly known as the Motor Carrier Act of 1980 (MCA), a United States federal law which deregulated the trucking industry on a National level. After that, it was (and is) up to each state to de-regulate, or update regulations, to better serve citizens in each state.

## Household Goods Transportation Regulations Today:

Currently, several states have completely deregulated Household Goods trucking, or, have greatly modernized their Household Goods trucking to reflect current business practices and modern technology. In Michigan, for example, on February 22<sup>nd</sup>, 2007, Senate Bill 266 was introduced by Senator Valde Garcia to modernize the, then current, onerous and outdated household Goods moving regulations that were created in the 1930s. Some of these changes included:

- 1) Removed "Proving Need" criteria and replaced it with a "Shall Issue" criteria when minimum standards are met (to protect the Customer and general public) upon application.
- 2) Remove "exempt (unregulated) status" of non-regulated movers who worked predominantly within an 8 mile radius of the municipality of origin of the move. All trucks and moving business must now be licensed and pay a fee. This made the bill "revenue neutral" and gave the State visibility of all of the moving service providers, in effect, allowing them to suspend or terminate a license if needed.
- Made all Household Goods Authorities "all points." This increased competition and created a fair playing field among all moving competitors, which benefits the Customer by giving them more choices.
- 4) Allows a moving company to cash settle for damages that were caused on a move.

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- 5) Allows moving companies to offer free, or discounted, moves to 501-C3 nonprofit organizations and houses of worship.
- 6) All moves must have a signed contract stating the rate charged, method of charging, and other details the customer must be made aware of in order to avoid any confusion at the end of the move.

## **Recommendation:**

I am not a proponent of total de-regulation of the Household Goods moving industry; that would not be good for the Customer. However, I would recommend that the PUC update the regulations to protect the Customer and foster fair and unlimited competition amongst the movers in the great state of Pennsylvania. In addition to the above actions taken by the State of Michigan, I would recommend that the whole Tariff (price fixing) system be removed as well. It is expensive for the state to manage, and typically, tariffs are a minimum (protecting the moving companies) not maximum (protecting the Customer) rate tariffs.

Thank you for your consideration.

Very Sincerely,

Jon C Sorber

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