

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska ) Application No. MR-1022/PI-216  
Public Service Commission, on )  
its own motion, seeking to )  
investigate and establish )  
reasonable rates and charges ) ORDER  
for Household Goods Movers )  
pursuant to the Official )  
Household Goods Tariff 7F and )  
Official Intracity Household )  
Goods Tariff 22. ) Entered: October 2, 2018

BY THE COMMISSION:

On May 8, 2018, the Nebraska Public Service Commission (Commission), on its own motion, initiated this investigation to investigate and establish reasonable rates and charges for Household Goods Movers. A hearing was held on May 30, 2018, in the Commission Hearing Room. At that hearing, Industry members offered testimony recommending a seven (7) percent rate increase and allowance of gift cards as a form of payment. The Commission entered an order on July 31, 2018, approving the rate increase in the Tariff 7F and Tariff 22 and allowing gift cards to be used as a method of payment.

Subsequent to the July 31, 2018 Order, Industry members who were unable to attend the May 30, 2018 hearing contacted Department staff requesting the Commission reconsider the rate increase specifically relating to the Tariff 7F Local as well as the use of gift cards. On August 21, 2018, the Commission entered an order scheduling an additional hearing for September 18, 2018, and staying the rate increases specifically in the Tariff 7F Local. Notice of the hearing was published in The Daily Record, Omaha on August 24, 2018.

Hearing on this matter was held September 18, 2018. Ms. Jamie Reyes and Ms. Ellie Rohr appeared on behalf of the Commission. The following individuals made statements on the record: Mr. Lee Saltzgaber on behalf of Lincoln Relocation, d/b/a Heartland Moving; Mr. Randy Hartshorn on behalf of Nebraskaland Moving; and Mr. Roger Baker on behalf of Kearney Moving.

E V I D E N C E

First, Mr. Lee Saltzgaber offered a statement on behalf of Lincoln Relocation. Mr. Saltzgaber expressed concern over gift

cards, indicating that gift cards are counter to the regulated nature of the tariff system because the compensatory structure is designed to maintain a more professional workforce.<sup>1</sup> Mr. Saltzgaber indicated the Commission would need to undertake the task of defining, tracking, and enforcing the use of gift cards for the pre-approved purposes to avoid potential misuse.<sup>2</sup> Essentially, he argues gift cards could be actively distributed to create a discount on the tarified rate rather than issued purely as a form of payment.<sup>3</sup> Though there may be appropriate purposes for gift cards, the risks seem to outweigh the benefits.<sup>4</sup>

Mr. Saltzgaber then addressed the seven percent rate increase in the Tariff 7F Local. He indicated the new rate forces non-domiciled movers to charge near the top end of the Tariff 22 rate. Specifically, the hourly rate for two movers and a truck went from \$118.50 to \$126.90. Meanwhile, a domiciled mover would be able to do the move under the Tariff 22 at a rate between \$64.20/hour and \$128.40/hour. He advocates returning to the previous rate because the movers are still fairly compensated and the individuals living in an area without a domiciled mover are not subjected to the highest level of the Tariff 22.<sup>5</sup>

Next, Mr. Randy Hartshorn made a statement on behalf of Nebraskaland Moving. Mr. Hartshorn also expressed disapproval of gift cards. He indicated gift cards are a way to manufacture a discount. He can load the card and empty the card without any money actually being exchanged.<sup>6</sup> Mr. Hartshorn did not have an opinion regarding the Tariff 7F Local increase.

Lastly, Mr. Roger Baker made a statement on behalf of Kearney Moving. Mr. Baker began by addressing the increase to the Tariff 7F Local. He indicated this increase affects all Nebraskans who do not live in a town with domiciled movers. This would be 25-30% of the population, or more than 500,000 people.<sup>7</sup> In 2016, the hourly rate for one mover was \$36.20. Now,

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<sup>1</sup> Hrg. Transcr. (September 18, 2018) 4:10-11 and 4:21-5:1.

<sup>2</sup> Id. at 5:15-21

<sup>3</sup> Id. at 5:23-6:2

<sup>4</sup> Id. at 6:10-13

<sup>5</sup> Id. at 7:10-17.

<sup>6</sup> Id. at 21:9-13, 21:19-23

<sup>7</sup> Id. at 27:11-15

in 2018, the rate for one mover is \$42.30.<sup>8</sup> Most cities west of Lincoln do not have a domiciled mover. This means they do not benefit from the Tariff 22 rate which can be a range of hourly rates. Those individuals are subjected to a rate at the highest end of the Tariff 22, making the move unaffordable for many individuals.<sup>9</sup> This moves the Tariff system in an unhealthy direction for movers outside of metropolitan areas.<sup>10</sup> Mr. Baker recommends returning the rate to \$39.50 per hour as it was pre increase.<sup>11</sup>

Next, Mr. Baker addressed the issue of allowing gift cards. He indicated this would inadvertently lead to a system of deregulation allowing carriers to undermine the rate structure, lacking accountability and protections.<sup>12</sup>

Lastly, Mr. Baker noted some areas of discrepancy within the Tariff 7F local where the new rate was not reflected within specific sections. Adjusting the rate back to the pre-increase rate would likely remedy these, as highlighted in the written statement Mr. Baker submitted to the Commission.<sup>13</sup> Mr. Baker's statement also mentioned Item 1000 where the word "shipments" appears to be missing.

#### O P I N I O N S   A N D   F I N D I N G S

The Commission opened the above-captioned docket investigate and establish reasonable rates and charges for Household Goods Movers within the Tariffs 7F and 22.

Based upon the statements offered by Mr. Saltzgaber, Mr. Hartshorn, and Mr. Baker, the Commission finds that gift cards should not be allowed as an accepted form of payment within the Household Goods Mover industry. The opportunities for misuse of such payment options outweighs the potential positives that may rise from their use.

Additionally, the Commission finds that the Tariff 7F local should be returned to the pre-increase rate of \$39.50 per hour.

<sup>8</sup> Id. at 27:20-24

<sup>9</sup> Id. at 28:4-18.

<sup>10</sup> Id. at 28:23-29:4

<sup>11</sup> Id. at 29:9-13

<sup>12</sup> Id. at 31:17-23

<sup>13</sup> Prepared Statement of Roger Baker, September 18, 2018, p. 3.

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The concerns expressed by the Industry were persuasive, and the Commission appreciates the Industry's concern about the effects of such an increase on consumers. This decrease will not affect the previously approved increases in any other section of either the Tariff 22 or the Tariff 7F.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the hourly rate within the Tariff 7F local shall be reduced to previous rate of \$39.50 per hour. No other previously increased rates shall be affected by this change.

IT IS FURTHER ORDERED that gift cards shall not be permitted as a form of payment within the Household Goods Moving Industry.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 2<sup>nd</sup> day of October, 2018.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Cystal Smadice*

*Frank E. Landis*

*Mary Ridder*

//s//Frank E. Landis  
//s//Mary Ridder

*Mary Ridder*

Chair

ATTEST

*Phil Skusek*

Executive Director