



MAX 4 Tariff Workshop

Wednesday, January 6, 2020

10:00 a.m. – 11:30 a.m.

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Anti-Trust Guidelines

- Topics to Avoid at Meetings
- The following topics are some of the main ones that should not be discussed at meetings attended by CMSA members or staff, including meetings or other gatherings sponsored by organizations independent of CMSA.
 1. Current or future prices of competitors.
 2. Matters related to prices, such as discounts, credit terms, profit levels, or volume of production or service.
 3. Wage and salary rates, equipment prices, or other actual costs of individual companies, since these costs are an element of price.
 4. Dividing up, allocating, or rationalizing markets, bids, geographic areas, types of business, or customers among competitors.
 5. Refusals to deal with suppliers, customers, or other competitors. For example, if a group of motor carriers were to agree to boycott a supplier of diesel fuel for the purpose of forcing that supplier to lower its prices, such an agreement could run afoul of the antitrust laws. Critiques of supplier products or customer practices can also raise the danger of being construed as an unlawful group boycott and should be conducted only after consultation with counsel. Such discussions may be permissible where efficiencies will be achieved through the exchange of ideas and where precautions are taken to avoid the inference of an agreement to deal with suppliers or customers only on certain terms.
- If a member brings up a subject of doubtful legality for discussion at a meeting, he or she should be told immediately that the subject is not a proper one for discussion. The CMSA staff representative or any member present who is aware of the legal implications of a discussion of the subject should attempt to halt the discussion. If the subject of prices, costs, or other competitive practices is raised by others at the meeting, you must disassociate yourself unequivocally from the discussion. If necessary, you must leave or halt the meeting.

Tariff Recent History

- On July 1, 2018 SB 19 (Hill) Transferred regulation of Household Goods Movers from the California Public Utilities Commission (CPUC) to a Bureau within the California Department of Consumer Affairs (DCA) then called the Bureau of Electronics and Appliance Repair, Home Furnishing and Thermal Insulation (BEARHFTI) – a bureau that even our lobbyists, engaged daily in state agency business, had never heard of.
- As a result of our efforts legislation, SB 1483, was put forth that changed the name of the Bureau to one much more reflective of their new mission – the Bureau of Household Goods and Services (BHGS).

Tariff Recent History - 2

- The 2021 MAX 4 Tariff is their 3rd MAX 4 Annual Rate review – and after a rocky start in late 2018 (story of no changes for first 5 years) we have developed a very strong working relationship relative to the modification and review of the annual Tariff.

Important Note

- Each year the Bureau of Household Good Services (BHGS) will issue a complete tariff – previously, the California Public Utilities Commission (CPUC) only sent out the individual tariff pages that contained revisions.
- Unlike the CPUC the Bureau never liked the idea of having a Tariff with revised pages. Even during the legislative transfer process, they couldn't get their head around a Tariff that had a 5th revised page 23, an 16th revised page 24, and a 3rd revised page 25. They asked if they could just develop a new Tariff every year? Our response was that we were good with that as long as we were involved and notified of any and all changes. And we have been.

**MAXIMUM RATES AND RULES
for the
TRANSPORTATION OF USED PROPERTY**

**Namely: Household Goods and Personal Effects
Over the Public Highways within the
State of California**

by

HOUSEHOLD MOVERS

Effective: January 1, 2021

**BUREAU OF HOUSEHOLD GOODS AND SERVICES
Department of Consumer Affairs
State of California**

For more information about the information in this document, please contact the
Bureau of Household Goods and Services at 4244 South Market Court, Suite D, Sacramento, CA 95834;
telephone: (916) 999-2041; or visit our website: www.bhgs.dca.ca.gov.

Summary of Substantive Revisions

In addition to the normal rate changes, the following edits on this year's round as follows:

1. On Item 12 (page 9), corrected the "California Disaster Act" to the "California Disaster Assistance Act" and added a link to the Act in the Government Code.
2. On Item 108 (page 27), added the text, "If an estimate is given..." to the statement, "The estimated cost shall be given only after visual inspection of the goods to be moved and shall be in writing." This edit is to clear up confusion over whether an estimate is required.
3. On the Table of All Rates, for all rates below the change threshold of 2.70, left the five-cent rounding out of the formulas. This will allow the rate calculations for next year to take into account this year's increase that was too minute to be reflected in two decimal places. Even with the five-cent rounding removed, there still weren't changes to any rate 55 cents or smaller.

Revisions continued

1. Item 340, the Container Rates have not changed since 2011. Because supplies are subject to fluctuations in CPI, recalculated these amounts beginning after the Bureau assumed administration of the Household Movers Act. **You'll see in the formulas, used the CPIs for 2019 (2.7), 2020 (2.9), along with this year's (.9) to calculate new rates.** (total 6.65)
2. Fixed confusing formatting on the Agreement for Moving Services (page 80) under number 2. Coverage for Loss and Damage.
3. Added the Bureau's website to the "Important Notice about Your Move" on page 84.

Revisions continued

4. Item 470, “Important Information...,” page 88, made “Do not ship jewelry, money, important papers or other valuable personal articles unless you make written arrangements with the mover. It is best to carry these items with you,” a separate paragraph and bolded. This information is important for consumers to consider and it was buried at the end of a paragraph at the end of a page.

5. Item 470, page 89, made “Before your move begins, the mover must fill in the Not to Exceed Price on the Agreement, and both you and the mover must sign it,” its own paragraph and bold for the same reasons as above.

Revisions concluded

6. Item 470, page 93, bolded “The Bureau has no authority to compel movers to settle claims for loss or damage and will not undertake to determine whether the basis for, or the amount of, such claims is proper, nor will it attempt to determine the mover's liability for such loss or damage.” While we could cite for failure to follow the claim process, many consumers contact us expecting us to resolve their claims so I thought we should highlight this statement.

Tariff Layout

- The MAX 4 is set out in 4 Sections

1. Rules

2. Territories

Greatly simplified from the past as a result of our
Tariff Simplification Application.

3. Rates

4. Documents

Not to Exceed (NTE)

- Every regulated job requires a NTE on the Bill of Lading before the first item is packed or moved.
- 19245. (2) The dollar amount for the transportation of household goods and personal effects and additional services may not be preprinted on any form, shall be just and reasonable, and shall be established in good faith by the household mover based on the specific circumstances of the services to be performed.

Important Note

- I. For transportation services provided by a household mover, the “Not To Exceed” amount set forth in the notice and the agreement between the household mover and the consignor shall be the maximum total dollar amount for which the consignor may be liable for the transportation of household goods and personal effects and any additional services ordered by the consignor, including any bona fide change order permitted under the rules and regulations administered by the bureau, and agreed to by the consignor before any goods or personal effects are moved from their location or any other services are performed.

Hourly vs. Weight and Mileage Basis

- ITEM 320 – (Hourly Rates) Rates named in this item apply for shipments transported for distances of 100 miles or less.
- ITEM 310 – (Weight and Mileage based Rates) can be applied on any shipment traveling on a public road. Generally used for shipments over 100 miles.

MAXIMUM RATE TARIFF 4

Effective January 1, 2021

ITEM 310 ♦ MAXIMUM FIXED DISTANCE RATES IN DOLLARS PER 100 POUNDS Rates named in this item apply subject to Item 16 (Application of Rates). (See NOTES 1 through 6.)													
MILES NOT OVER	MILES OVER	BREAK ANY POINT		MINIMUM WEIGHT IN POUNDS									
		QTY	lbs.	1000	B.P.	2000	B.P.	5000	B.P.	8000	B.P.	12000	B.P.
0	10	95.60	607	58.00	1488	43.15	4937	42.60	7700	41.00	11649	39.80	15779
10	20	97.10	606	58.80	1487	43.70	4926	43.05	7712	41.50	11711	40.50	15724
20	30	98.90	602	59.45	1498	44.50	4871	43.35	7807	42.30	11646	41.05	15786
30	40	100.65	600	60.35	1502	45.30	4874	44.15	7774	42.90	11665	41.70	15732
40	50	102.25	601	61.45	1490	45.75	4869	44.55	7758	43.20	11889	42.80	15589
50	60	104.20	603	62.80	1489	46.75	4872	45.55	7755	44.15	11824	43.50	15706
60	70	105.85	605	64.00	1508	48.25	4830	46.60	7700	44.85	11920	44.55	15587
70	80	107.65	607	65.30	1504	49.10	4838	47.50	7697	45.70	11895	45.30	15630
80	90	109.25	606	66.15	1514	50.05	4851	48.55	7729	46.90	11732	45.85	15756
90	100	111.00	606	67.25	1520	51.10	4815	49.20	7797	47.95	11700	46.75	15658
100	120	116.55	593	69.05	1512	52.20	4795	50.05	7881	49.30	11635	47.80	15716
120	140	121.45	584	70.85	1518	53.75	4777	51.35	7829	50.25	11642	48.75	15771
140	160	125.80	574	72.20	1521	54.90	4782	52.50	7841	51.45	11581	49.65	15727
160	180	130.45	568	74.00	1518	56.15	4778	53.65	7762	52.05	11689	50.70	15701
180	200	134.85	560	75.45	1521	57.35	4756	54.55	7825	53.35	11584	51.50	15799
200	225	139.45	558	77.70	1514	58.80	4750	55.85	7807	54.50	11560	52.50	15696
225	250	144.05	552	79.45	1507	59.85	4775	57.15	7819	55.85	11571	53.85	15599
250	275	146.40	556	81.35	1509	61.35	4768	58.50	7830	57.25	11508	54.90	15665
275	300	148.40	559	82.95	1512	62.70	4773	59.85	7840	58.65	11489	56.15	15644
300	325	150.30	562	84.40	1517	64.00	4793	61.35	7798	59.80	11509	57.35	15847
325	350	152.10	575	87.45	1510	66.00	4785	63.15	7785	61.45	11610	59.45	15745
350	375	155.70	575	89.50	1512	67.65	4797	64.90	7785	63.15	11639	61.25	15622
375	400	157.30	577	90.75	1523	69.10	4765	65.85	7824	64.40	11646	62.50	15604
400	425	158.55	580	91.95	1529	70.25	4783	67.20	7786	65.40	11634	63.40	15647
425	450	159.90	581	92.80	1541	71.50	4780	68.35	7807	66.70	11560	64.25	15689
450	475	161.00	582	93.65	1541	72.15	4806	69.35	7804	67.65	11628	65.55	15634
475	500	162.10	583	94.40	1548	73.05	4833	70.60	7785	68.70	11590	66.35	15663
500	550	163.55	585	95.60	1565	74.80	4833	72.30	7763	70.15	11624	67.95	15706
550	600	164.65	590	97.00	1577	76.45	4857	74.25	7710	71.55	11632	69.35	15654
600	650	166.20	593	98.50	1577	77.65	4859	75.45	7751	73.10	11590	70.60	15717
650	700	167.00	599	99.90	1578	78.80	4874	76.80	7693	73.85	11643	71.65	15666
700	750	168.30	607	102.05	1565	79.85	4891	78.10	7673	74.90	11584	72.30	15735
750	800	169.60	608	103.10	1594	82.15	4857	79.80	7620	76.00	11614	73.55	15565
800	850	171.50	613	105.00	1600	83.95	4864	81.65	7589	77.45	11605	74.90	15563
850	—	—	—	—	—	—	—	—	—	—	—	—	—
ADD		1.65		1.50		1.50		1.50		1.30		1.00	
FOR EACH 50 MILES OR FRACTION THEREOF OVER 850 MILES													

ITEM 320 ♦
MAXIMUM FIXED RATES IN DOLLARS PER HOUR

Rates named in this item apply for shipments transported for distances of 100 miles or less, subject to Item 16 (Application of Rates) (see NOTES 1 through 5).

		Territory (See Note 4)	
		A	B
1. Straight Time			
Unit of equipment, plus:			
(a) one person (driver)	\$121.90	\$116.40	
(b) two persons (driver and helper)	\$195.80	\$179.95	
(c) additional persons, in excess of two, per person	\$ 70.25	\$ 60.75	
2. Time-and-a-half (see NOTE 5)			
Unit of equipment, plus:			
(a) one person (driver)	\$156.15	\$148.65	
(b) two persons (driver and helper)	\$264.10	\$239.50	
(c) additional persons, in excess of two, per person	\$102.40	\$ 87.90	
3. Double Time (see NOTE 5)			
Unit of equipment, plus:			
(a) one person (driver)	\$195.80	\$180.85	
(b) two person (driver and helper)	\$332.75	\$299.10	
(c) additional persons, in excess of two, per person	\$134.75	\$115.55	

NOTE 1: The higher-rated territory in or through which the shipment or any component thereof is transported, shall determine the applicable maximum hourly rates for such shipment.

NOTE 2: Actual bridge and ferry tolls may be added to charges based on rates contained in this item when such toll charges are incurred by the mover. When two or more shipments are transported under the provisions of this item at the same time on one unit of equipment, the incurred toll charges shall be equally divided between each shipment.

NOTE 3: For computation of time, see Item 36.

NOTE 4: For description of territories, see Item 210.

MAXIMUM RATE TARIFF 4

Effective January 1, 2021

ITEM 340 ♦ MAXIMUM FIXED RATES FOR PACKING/UNPACKING CONTAINERS						
(See Notes 1 through 10)						
1. RATES PER CONTAINER (In Dollars Per Unit)	Per	Container Rates (See Note 9)	Packing Charges		Unpacking Charges	
			Territory		Territory	
			A	B	A	B
DRUM, DISH-PACK (Drum, dish-pack, barrel or other specially designed containers of not less than 5 cubic feet capacity for use in packing glassware, chinaware, bric-a-brac, table lamps or similar fragile articles)	Each	38.24	42.93	37.74	17.96	16.04
CARTONS:						
Less than 3 cu. ft. (Not less than 200 lb. test)	Each	9.44	10.33	9.19	4.31	3.79
3 cu. ft. (Not less than 200 lb. test)	Each	14.24	15.63	13.86	6.49	5.76
4-1/2 cu. ft. (Not less than 200 lb. test)	Each	16.88	18.95	16.51	7.99	7.01
6 cu. ft. (Not less than 200 lb. test)	Each	19.31	21.70	19.00	8.98	7.94
6-1/2 cu. ft. (Not less than 200 lb. test)	Each	22.05	24.71	21.80	10.38	8.93
WARDROBE CARTON not less than 10 cu. ft. (See Note 8)	Each	21.06	21.03	18.37	8.78	7.84
MATTRESS CARTON:						
Crib	Each	9.68	7.32	6.07	2.86	2.54
Not Over 39" x 75"	Each	16.08	11.99	10.48	4.93	4.36
39" x 80"	Each	19.51	11.99	10.38	4.93	4.46
Not Over 54" x 75"	Each	17.22	12.25	10.85	5.03	4.52
Over 54" x 75"	Each	28.42	19.83	17.18	8.25	7.21
MATTRESS COVER (Paper or Plastic)	Each	10.08	4.88	4.41	2.08	1.87
CORRUGATED CONTAINERS (Specially designed or constructed for mirrors, paintings, glass or marble tops and similar fragile articles)	Each	33.26	37.37	32.50	15.63	13.86
CRATES (Other than corrugated, specially designed or constructed for mirrors, paintings, glass or marble tops and similar fragile articles) gross measurement of crate	Cu. Ft. or Fraction Thereof	(See Note 7)	16.92	15.05	3.53	2.86

Do you know?

- Are movers required to charge double drive (between points A and B) on a local move?

Answer

- No – they are **allowed** to charge double drive
 - Important reminder:
- A Maximum Rate Tariff sets a Ceiling but no floor.
- Any charge from Zero up to Maximum is allowed.

Do you know?

- Valuation (it is not insurance so no can't not sell it and use the rational that you don't have an insurance license.)
Question – can you just offer .60c per lb. per article and tell consumers to go elsewhere for coverage?

Answer

- NO – not offering all 3 valuation options to your shipper will result in you providing \$20,000 of ACV at no charge!
- Your valuation rates for all three options must be filled out on all paperwork. Even if shipper has clearly indicated that they want 0.60c per lb. per article on paperwork.
- Failure to list rates on paperwork is indication that offer has not been made.

Question

- Why can't I just charge what I want?
- My expenses are high, and/or I don't feel market pressure!

Answer

- The good news is you can, as long as your job meets the following criteria:
- Procedure Permitting a Household Mover to Deviate from Maximum Rate
- **Authority.** Section 19253.2 provides, “[t]he bureau may establish procedures by which any household mover may charge or collect a greater rate than the maximum rate established under this chapter.” B&P Code §19253.2 replaced PU Code §5193 that referred to, “specific procedures approved by the commission in its Decision 92-05-028.”
- The elements: (1) After an inspection of the shipper’s goods, (2) no less than 3 days before the scheduled move, (3) the carrier provides the shipper, (4) a written estimate, (5) in MAX 4, Item 108 compliant form, (6) that indicates that the rates exceed the maximum fixed rates (7) and show by how much.

ITEM 465 *
IMPORTANT NOTICE ABOUT YOUR MOVE

IT IS VERY IMPORTANT THAT YOU ONLY AGREE TO A "NOT TO EXCEED" AMOUNT THAT YOU THINK IS A PROPER AND REASONABLE FEE FOR THE SERVICES YOU ARE REQUESTING. THE "NOT TO EXCEED" AMOUNT THIS MOVER IS REQUESTING IS \$_____ to perform the following services:

IF YOU DO NOT AGREE TO THE "NOT TO EXCEED" AMOUNT LISTED OR THE DESCRIPTION OF SERVICES, YOU HAVE THE RIGHT TO REFUSE THE MOVER'S SERVICE AT NO CHARGE TO YOU.

If you request additional or different services at the time of the move, you may be asked to complete a Change Order which will set forth your agreement to pay for additional fees for those newly requested services. If you agree to the additional charges on that Change Order, those charges may be added to the "NOT TO EXCEED" amount set forth above. If you do not agree to the amounts listed in the Change Order, you should not sign it and may refuse the mover's services.

A mover cannot refuse to release your goods once you have paid the "NOT TO EXCEED" amount for the transportation of your goods and personal effects and any additional services that you have agreed to in writing. The "NOT TO EXCEED" amount must be reasonable.

A mover cannot, under any circumstances, withhold food, medicine, medical devices, items to treat or assist a disabled person, or items used for care of a minor child. An unlicensed mover has no right to withhold your goods for any reason including claims that you have not adequately paid for services rendered.

For additional information or to confirm whether a mover is licensed by the Bureau of Household Goods and Services (Bureau), please call the Bureau at 1-833-488-2327 or check the Bureau's license lookup on www.bhgs.dca.ca.gov.

I have completed this form and provided the consumer (shipper) with a copy of this notice.

Signed _____ Dated _____

I have been provided with a copy of this form.

Signed _____ Dated _____

Core Principles

I. Transparency

- A. Viewable tariff
- B. Rates on all documents

II. Price Certainty

- A. Not To Exceed (NTE) on all jobs
- B. Change Order requires material changes by shipper

Core Principles

- III. Any document required by this section may be in an electronic form, if agreed upon by the household mover and the customer.
- IV. Household mover shall retain copy of all signed documents for at least three years from date signed

Questions?





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- California Forms: Combination Agreement for Moving Service and Bill of Lading, Estimated Cost of Services, Change Order for Service, Important Notice To Shippers, Shipper's Consent to Use of Electronic Documents and Forms with Electronic Signatures Online
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