



# A Move in the Right Direction

*SC Office of Regulatory Staff*

November 19<sup>th</sup> & 20<sup>th</sup>, 2019

# Statistics

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- Number of Carriers - 150
- New Applicants (2016-Pres.) - 56 (7 Pending)
- Certificates (2016-Pres.) - 41

# Process for Docketed Items

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- Scope
- Name Change
- Transfer
- Tariff/BOL Amendment
- Attorney Requirements
- Publication requirements

# Amending your Scope

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- Submit application to PSC
- Publish in newspaper that circulates in desired scope and file POP with PSC
- Submit shipper witness testimony
- Update tariff if necessary
- Directive issued
- Order issued
- Certificate reissued and new scope becomes effective

# Name Change

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- Submit application to PSC
- Publish in newspaper that circulates in approved scope and file POP with PSC
- File a new tariff and BOL reflecting new name
- Have insurance company file corrected Form E and Form H with new name
- Directive issued
- Order issued
- Certificate reissued and name change becomes effective

# Transfer/Sale/Lease of Certificate

- Submit application to PSC
- Publish in newspaper that circulates in approved scope and file POP with PSC
- File a new tariff and BOL reflecting new name and contact info
- Have insurance company file corrected Form E and Form H with new owner on the policy
- Directive issued
- Order issued
- Certificate reissued and new owner becomes licensed

# Tariff/BOL Amendment

- File Application with PSC- **Must have PSC approval on ALL tariff and BOL changes**
- Publish in a newspaper which circulates in scope
- ORS will conduct an audit looking at previous 6 months of BOL as well as talk about proposed tariff.
- ORS will share a copy of the audit findings
- When final tariff is filed, ORS will file impact study with PSC
- Directive issued by PSC
- Order issued by PSC and changes become effective.

# Attorney Requirements

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- Each carrier is required to have legal representation IF:
  - They are a LLC or Inc. (New apps)
  - They are seeking statewide authority

# Publication Requirements

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- Publication must be done in a newspaper that circulates in the scope in which you are seeking/have. Most commonly used are: "The State" and "Post and Courier"
- If you are seeking statewide authority and file in a local newspaper, then it could result in a denial of statewide authority.

# Audit Processes

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- Compliance-(Rate and BOL)
- Complaints
- Random Audits
- Common Problems and Mitigation

# Compliance Audits

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- Once you file your application, ORS will set up a time to audit previous 6 months of BOL.
- Audit is used to discuss proposed tariff as well
- You can change anything in tariff or BOL when rate change is requested.
- Once audit is passed, the company will receive a report of the findings.

# Complaints

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- Types of Complaints
  - Overcharges
  - Damages/Insurance
  - Customer Relations
- Complaint Mitigation
  - Be open and transparent with all customers
  - Be thorough when giving estimates
  - Maintain communication with customers during move

# Random Audits

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- Our goal to audit every company at least once in a 5 year period.
- ORS will call and set up a time to come and conduct audit of previous 6 months
- Company will be issued a report detailing the findings and score of audit

## Common Problems

- Hourly rates
- Travel charges
- Detailed packing supplies
- Valuation signed
- BOL requirements (PSC #, BOL #, contact info, etc.)
- Completed shipper info
- Proper documentation of any promotions

## Mitigation

- Be as specific as possible
- Continued training with employees
- All changes to BOL and tariff need to be approved by PSC

# Reporting Requirements

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- Annual Report
- Gross Receipts
- Payment of Gross Receipts
- Petition to Revoke for Each

# Annual Reports Overview

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S.C. Code of Regulations Chapter 103, Article 231, states that every motor carrier operating under a Certificate of PC&N, which includes Household Goods Certificates, shall submit an annual report by April 1<sup>st</sup> of the current year. This report must capture a full account of the company's affairs for the preceding calendar year.

Key information captured in the report includes:

- Financial
- Insurance
- Contact

# Annual Report Key Points

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- Operating Revenues
- Contact Information
- Revocation
- <https://ors.sc.gov/regulated-utilities/transportation/class-e/household-goods>

# Annual Reports- Completion and Filing

- The Annual Report Form is available to you electronically, and in a PDF format, on our agency's website (ors.sc.gov).
- If your company does not have information for any item in the report, then fill out the item as either none, not applicable, or "0."
- Monetary items need to be rounded to the nearest dollar amount.
- The report must be signed by a company representative.
- **New Filing Requirement:** As of January 1, 2020, the report must be filed electronically.

# Commission Directive Order Number 2019-706

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- Effective January 1, 2020, all Household Goods companies will be required to file their Annual Reports electronically.
- An electronic copy of the Annual Report must now be emailed to: [AnnualReports@psc.sc.gov](mailto:AnnualReports@psc.sc.gov).
- Also, each company must retain an electronic copy of this report for their records.

# Take Away's

- The Annual Report is due each year on April 1<sup>st</sup> and must capture information from the previous calendar year.
- The Annual Report Form and instructions are available on our agency's website at [www.ors.sc.gov](http://www.ors.sc.gov).
- This report must be filed via email to [AnnualReports@psc.sc.gov](mailto:AnnualReports@psc.sc.gov).
- State Law requires that the Annual Report be filed. If it is not filed properly and timely, then your company's certificate will be revoked due to lack of compliance.
- This report correlates to how your company will be financially assessed by the Department of Revenue, and it serves as a way to update your company's contact and insurance information.

# Gross Receipts

- Each Carrier is “taxed” on its gross revenue for SC Operations
- Fund the operations of the transportation department
- TAX=gross revenue X factor
- There are de minimis carriers
- Slight increase in gross receipts tax last reporting period
- Increase in the level of service (i.e. focus on audits, illegal carriers, advertising investigations, assists with docketed items)

<https://ors.sc.gov/regulated-utilities/transportation/class-e/household-goods>

# Payments for Gross Receipts

- Each Spring, form is posted on the website and carriers are notified
- Complete form and return to ORS by August 31 (no form=revocation of certificate)
- Report revenues from previous calendar year
- Factor is determined and budget is built, sent to the Department of Revenue
- DOR sends out invoices in June with payment due by July 15
- No pay = revocation of certificate
- Need to budget for payment of Gross Receipts Tax
- Possibility of payment plan with DOR
- EX. 1) August 31, 2019, Carrier Submits revenue of CY 2018
  - 2) July 15, 2020 Carrier makes payment to DOR on revenues from 2018

# Advertising

- **SECTION 39-15-910.** Regulation of use of name or trade name in advertising, soliciting and the like.

Household goods carriers in intrastate commerce shall not use any name in the advertising, soliciting or handling of intrastate business other than the name or trade name in which their operating authority is issued from the Public Service Commission. The printed advertising shall also include the certificate or docket number issued to the carrier by the commission.

If such carrier uses joint advertising with a national carrier with which it has an affiliation, the advertising shall state clearly that all intrastate hauling is to be done solely by the South Carolina carrier.

- **SECTION 58-23-40.** Certificate and fee requirements.

A motor vehicle carrier shall obtain a certificate from the Office of Regulatory Staff, pursuant to the provisions of Article 3 of this chapter and pay the license fee required pursuant to Article 5 of this chapter before the motor vehicle carrier may: (1) transport persons or property for compensation on any improved public highway in this State; or (2) advertise as an operator for the transportation of persons or property for compensation on any improved public highway in this State.

# Advertising

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- Enforcement
  - Formal
  - Informal

# Regulated vs Unregulated Moves

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- Inter-City
- FWA
- Scope
- Commercial/Labor

# Inter-city Moves

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- You need to have a certificate for these moves, but are not bound by your approved tariff
- We have a map on google earth with all city limits
- If the origination or destination address is outside of a municipal limit, the move is regulated.

- **SECTION 58-23-590.**

(D) A carrier of household goods, before operating in an exempt zone provided in Section 58-23-60 in this State, must obtain a certificate of fit, willing, and able from the Office of Regulatory Staff upon order of the commission. The Office of Regulatory Staff may establish an annual registration requirement and set a fee for this registration which is comparable to and is calculated by using the same methodology applied to holders of certificates of public convenience and necessity.

- 58-23-60 "exempt zone" refers to within the boundaries or municipal limits

# Scope

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- The scope in which you are certified for is the boundary you must stay within for all aspects of the move (origination AND destination)

# Commercial/Labor

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- You are able to conduct commercial moves without a certificate. These include office moves
- Labor only moves are unregulated in every situation. Loading and unloading can occur as long as the moving company does not drive the truck.

# E-BOL

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- Docketed Process
  - 2015-197-T Move Buddies
  - Application
    - <https://dms.psc.sc.gov/Attachments/Matter/879000b7-6e49-4a25-bf09-47d6072e7c90>

# Things to Provide for E-BOL

- 1) The letter or petition to the Public Service Commission should include:
  - a) not asking for a waiver of Reg. 162 but only approval of “some other procedure”
  - b) Assurance that the customer will receive the BoL by text or email within a certain time period (suggested 24 hours, I think it can be almost instantaneous)
  - c) Assurance that the customer can receive a paper copy immediately if they do not have an email or access to text
  - d) Assurance that inspectors will have immediate access to the database in order to perform audits
  - e) Assurance that the BoLs would be sequentially numbered and meet all other applicable requirements of Reg. 103-159
- 2) Along with the letter/petition, the filing should include:
  - a) An Outline of how the electronic procedure works from time the truck arrives until receipt of the electronic BoL by the customer. This outline should also include how BoLs are stored and how our inspectors would access the BoLs for audits
  - b) A “screen shot” of how the BoL looks to the driver on the tablet
  - c) A “screen shot” shot or sample of what the customer receives

# Contents of the Bill of Lading 103-159

- Each bill of lading shall show at a minimum the following information:
  1. The name of issuing carrier;
  2. The date the shipment was received by the carrier;
  3. The name and address of the consignor/shipper;
  4. The points of origin and destination;
  5. The name and address of the consignee/receiver;
  6. Declaration of valuation (motor carriers of household goods);
  7. The weight by certified public scale, volume, or measurement of the property tendered and received for transportation according to the lawfully applicable rates and charges shown separately by classification;
  8. If it relates to a C.O.D. shipment, the amount of the C.O.D. and the name of the individual, corporation, or association who is actually to pay the C.O.D.;
  9. Public Service Commission identification number;
  10. Financial responsibility information as to insurance coverages;
  11. The number of the bill of lading, as numbered consecutively in each motor carrier's own series at the time of printing;
  12. Any accessorial or additional service charges in detail, giving size, and kind of equipment, the number of men and total hours of extra labor, and equipment services provided;
  13. Rate per hundred weight or rate per hour, whichever is applicable (motor carriers of household goods); and
  14. Base liability amount of the carrier for its cargo.

## E-BOL cont.

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- Commission Requirements
  - Provide examples of how the process works/looks
    - Screenshots
    - Explanations
    - Have a way to print off on site if the customer asks

# Insurance Requirements

- In order to be in compliance with insurance minimums, each carrier must retain both Liability and Cargo Insurance. Both of these insurance policies must meet the minimum insurance limit requirements below.

\* Form E and Form H Certificates of Insurance are required to be filed with the Office of Regulatory Staff (ORS). The schedule of **minimum limits for Household Goods** carriers are listed below:

Vehicle liability for vehicles less than 10,000 lbs. GVWR	\$ 500,000
Vehicle liability for vehicles 10,000 lbs. or more GVWR	\$ 750,000
Cargo - For loss of or damage to property carried on any one motor vehicle	\$ 2,500
For loss of or damage to or aggregate of losses or damages of or to property occurring at any one time and place	\$ 5,000

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- Commission Opinion

## ORS Contact Information

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