



CMSA President Steve Weitekamp Testifies Against AB 224



On July 14, 2021, CMSA President Steve Weitekamp gave his testimony to the California State Senate Business, Professions & Economic Development Committee to oppose AB 224 (Daly), which would exempt motor carriers transporting household goods that are licensed at the federal level from having to also secure a state permit with the Department of Consumer Affairs' Bureau of Household Goods and Services (BHGS). Despite clear federal authority for the state to regulate intra-state transporters of household goods, this bill seeks to weaken BHGS' oversight, increase state enforcement costs, subject consumers to mistreatment & fraud, and create a path for unregulated movers to operate in the California.

Testimonies were given a three-minute time limit. Here is the testimony given on behalf of CMSA:

Good morning, Mr. Chair and members of the Committee. Steve Weitekamp, president of the California Moving and Storage Association the 104-year-old trade association representing over 525 member companies serving the California Consumers in the regulated environment of Household Goods moving. We want to thank Committee staff for their work on AB 224 these last few months, but unfortunately, we remain strongly opposed to this bill.

We appreciate the assessment of the Committee Consultant. As the analysis notes, we believe that federal law clearly gives California the ability to regulate the transportation of household goods within our borders and the focus of the existing regulations is not centered around who loads or unloads a truck, but rather the transport of household goods over the roadway. It is when household goods are in transport that consumers are most at risk.

Thanks to California regulations, most recently addressed in SB 19 (Hill) California consumers that utilize moving services are safer than consumers around the country from financial crimes related to scam movers that proliferate nationwide. This bill would weaken consumer protections by allowing companies engaged in the transportation of household goods to exempt themselves from state oversight. As currently drafted, it would not matter if the company were a traditional freight hauler transporting the occasional container full of household goods or a consumer utilizing a company like PODS, which promotes itself as a moving company and can facilitates all aspects of a move.

The argument that what the sponsors perceive as innovation should allow them to operate without the regulations that serve the California consumer so well is a moral hazard. The jobs argument is pure sophistry. Enactment of this bill would only move jobs from the regulated company to the unregulated, creating

no new jobs. Additional, BHGS permitted movers have served as essential service providers since the beginning of the statewide Shelter in Place Orders. Data provided by the Bureau of Household Goods and Services clearly shows that consumer complaints and investigations at the Bureau are overwhelmingly focused on unlicensed activity. We believe the proliferation of complaints regarding unlicensed activity will only continue to grow if this bill is successful and carriers of household goods are allowed to skirt state licensing requirements.

Finally, the Bureau's permitting process is not complicated, the Bureau is an excellent resource for companies seeking licensing, and the license is held by the company and not by the individual drivers or employees. Because freight companies offering household good moving services do not believe they should have to be licensed by the state is not a justifiable reason to remove the state's ability to protect consumers. Thank you and we respectfully ask for your no vote.

The BP&ED Committee Members ultimately passed AB 224. Here is how they voted.

Aye:

Richard Roth [D] (District 31, Riverside)
Bob Archuleta [D] (District 32, Norwalk)
Josh Becker [D] (District 13, San Mateo)
Bill Dodd [D] (District 3, Vacaville, Napa, Santa Rosa, Vallejo)
Melissa Hurtado [D] (District 14, Bakersfield, Hanford)
Brian Jones [R] (District 38, El Cajon, Escondido)
Connie Leyva [D] (District 20, Pomona, San Bernardino)
Josh Newman [D] (District 29, Fullerton)
Rosilicie Ochoa Bogh [R] (District 23, Rancho Cucamonga)

No:

Melissa Melendez [R] (District 28, Murrietta, Indio)

Not Voting:

In attendance at meeting, but did not vote.
Susan Talamantes Eggman [D] (District 5, Stockton)

Didn't Vote:

Not in attendance at meeting to vote.
Patricia Bates [R] (District 38, Laguna Hills, Encinitas)
Dave Min [D] (District 37, Irvine)
Richard Pan [D] (District 6, Sacramento)

Let your Senator know how you feel about this vote!