

**2006 Household Goods Carriers
Annual Report Analysis
With
Comparison of Financial and
Operational Statistics
For the Years 2002 through 2006**

Transportation Bureau

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INTRODUCTION

Illinois Commercial Transportation Law authorizes the Illinois Commerce Commission's Transportation Division to regulate the operating authorities, rates, and business practices of intrastate household goods moving companies. As required by Commission regulation, all licensed Illinois household goods carriers must submit to the Commission an annual report that includes financial and operational information. Although annual reports are not audited and the information in them is accepted in good faith, the reports are reviewed to assure that they are complete and that the information in them is financially reasonable and operationally feasible.

Annual reports filed by licensed motor carriers are public documents and are available upon request. Analysis of annual report information from prior years is available on the Commission web site <http://www.icc.illinois.gov>.

Carriers that fail to file a properly completed annual report by the May 15th statutory filing date are given a 30-day written notice prior to revocation of their household goods authority. Carriers may request a one-time 60-day extension in time to file the report.

The Annual Report Form follows this analysis: Part 1 requests information for all transportation activities including household goods moves, storage, general freight and other transportation operations. Part 2 requests information about Illinois intrastate household goods activity. The mover reports revenue derived from all intrastate household goods shipments and the number of moves made within Illinois, both local moves using an hourly rate and moves charged by weight and distance. The mover also indicates if storage facilities are provided. Part 3 requests the names of each stockholder, partner or owner with telephone numbers and percentage of ownership, as well as the company's federal employer identification number. If a change in ownership of the company has occurred during the year, the mover is required to check the appropriate box. Finally, the annual report requests that the individual filing the report provide their name, title, telephone number, fax-number, email address and signature, indicating that the information submitted is accurate.

The following analysis first describes the location of the licensed moving companies and then summarizes the data submitted for 2006, beginning with Part 1 of the Annual Report and proceeding to Part 2. Included within the discussion of the information for each part of the Annual Report is a comparison of 2006 information to prior years' data.

LOCATION OF CARRIERS

Of the 318 licensed movers submitting annual reports, 276 are “active” carriers, that is, they are actively engaged in Illinois intrastate household goods operations, from point to point within Illinois. Most of these active intrastate moving companies are located in Illinois, but 21 companies, 8 percent, are headquartered outside of Illinois. Table 1 captures the number of active intrastate movers by county, showing that almost 5 percent of the licensed movers in Illinois are the sole HOUSEHOLD GOODS company in their county: 14 counties have only one carrier. Cook County has the largest number of active movers with 120 companies or 44 percent of the industry. Another 62 companies, 22 percent of the 276 active movers, are headquartered in four collar counties in northeastern Illinois: DuPage, Kane, Lake and Will. The remaining 26 percent of active movers are spread throughout 19 counties of Illinois. Figure 1 on the following page provides a geographical representation of the number of active movers by county.

Adams	1	Madison	3
Bureau	1	Marion	1
Champaign	6	Massac	1
Cook	120	McDonough	1
DeKalb	3	McHenry	6
DuPage	29	McLean	3
Edgar	1	Morgan	1
Fulton	2	Peoria	3
Grundy	2	Perry	1
Jackson	2	Rock Island	2
Jasper	1	Sangamon	5
Jefferson	1	St. Clair	4
Kane	13	Stephenson	2
Kendall	1	Tazewell	3
Knox	2	Whiteside	1
Lake	12	Will	8
LaSalle	2	Williamson	1
Lee	1	Winnebago	5
Macon	2	Out of State	21
Macoupin	2	Total Active Movers	276

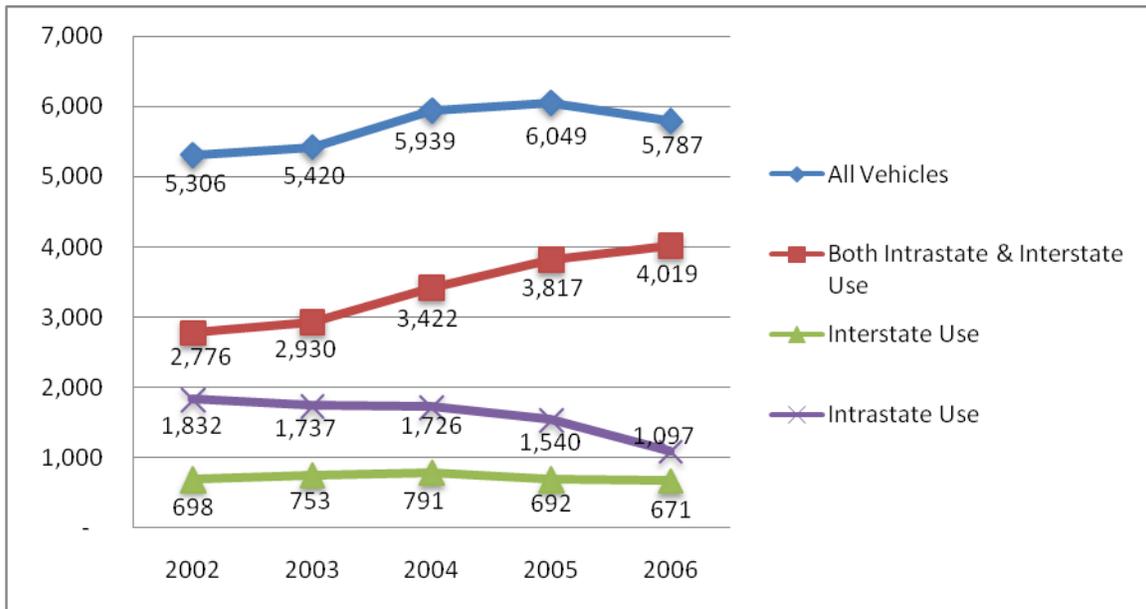
PART I - ALL FOR-HIRE TRUCKING OPERATIONS

In Part 1 there is no distinction between interstate or intrastate household goods, general freight hauling or other for-hire transportation operations conducted by the carrier. This part of the annual report requests information on the motor carrier's overall operations with questions regarding the number of trucks and their use in intrastate and/or interstate activity, total miles traveled, number of employees and total company revenue and expense.

Out of 318 carriers licensed to transport household goods, 7 reported no for-hire transportation activity of any kind. The remaining 311 companies employed 11,518 people, generated \$1.6 billion in total for-hire transportation revenue and logged 264 million miles for the year, averaging 45,619 miles per truck. This is a continuing trend, as the average miles per vehicle have steadily decreased since 2003, which averaged 81,550 miles per truck.

Figure 2 shows that the total number of vehicles used by active carriers decreased 4.5 percent in 2006 with a 5.0 percent increase in the number of trucks used for both intrastate and interstate activity, a 3.1 percent decrease in the number of trucks used only for interstate activity, but a 40.4 percent decrease in the number of trucks used only for intrastate moves.

**FIGURE 2:
Number of Vehicles Operated by Activity Type for Active Carriers
2002-2006**



Total company revenue, expense and net income for all operations, including but not limited to intrastate household goods moves, for active movers from 2002 through 2006 is shown in Table 2. Dividing total operating expense by total operating revenue shows the operating ratio for the industry. The higher the ratio, expressed as a percent, the smaller the operating profit from operations. The ratios, shown in Table 2, range from 96.3 percent in 2005 to 98.9 percent in 2006. In 2006, a sharper increase in expenses as compared to the revenue generated led the

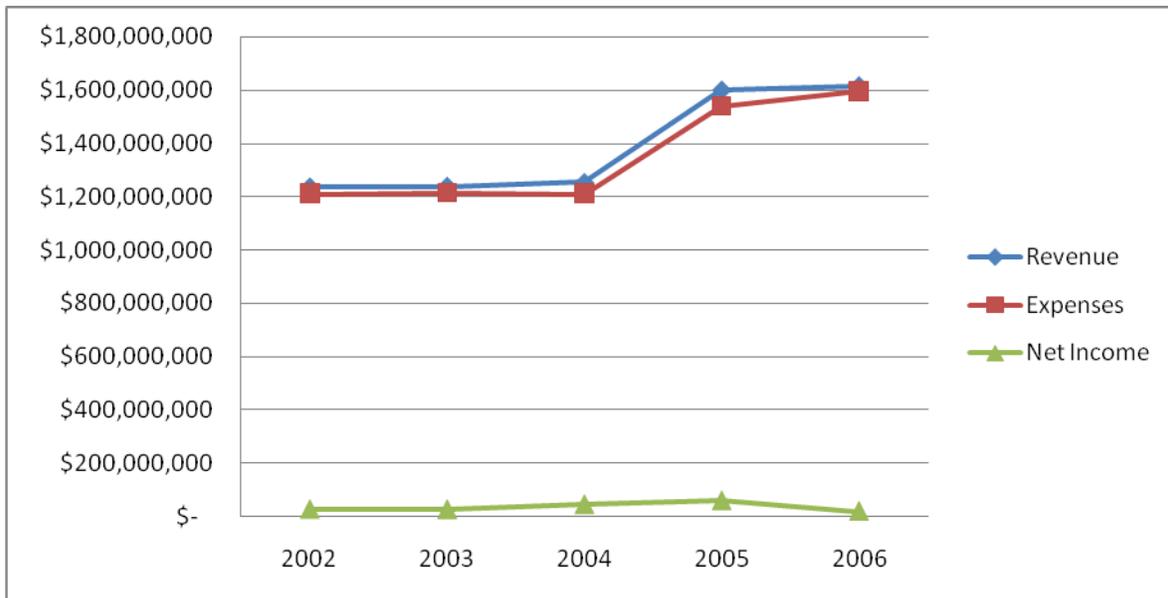
industry to experience a decline in the overall operating ratio of 2.6 percent from the previous year.

**TABLE 2:
Revenue, Expense and Net Income from All For-Hire Transportation Operations
2002-2006**

	2002	2003	2004	2005	2006
Revenue	\$1,237,372,983	\$ 1,239,417,447	\$ 1,254,220,534	\$ 1,599,314,820	\$ 1,615,306,067
Expenses	\$1,211,715,477	\$ 1,214,195,883	\$ 1,209,924,152	\$ 1,540,517,766	\$ 1,596,855,442
Net Income	\$ 25,657,506	\$ 25,221,564	\$ 44,296,382	\$ 58,797,054	\$ 18,450,625
Operating Ratio	97.9%	98.0%	96.5%	96.3%	98.9%

Figure 3 graphs the average revenue, expense and net income for total company operations showing the pattern of growth and decline for active movers. The industry experienced a 1.0 percent increase in revenue and 3.7 percent increase in expenses.

**FIGURE 3:
Revenue, Expense and Net Income for All For-Hire Transportation
2002-2006**



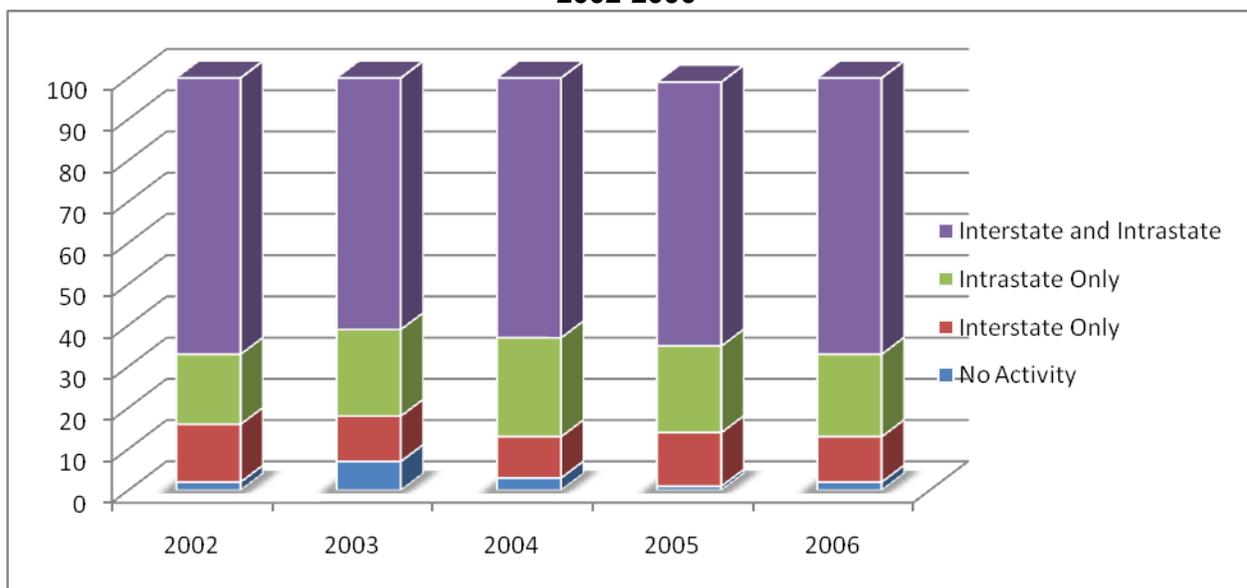
The next section of this analysis, after a comparison of interstate and intrastate business activity for all movers, discusses Illinois intrastate household goods activity as reported in Part 2 of the 2006 Annual Reports for 276 licensed household goods carriers active in intrastate moves from point to point within Illinois.

PART 2 - ILLINOIS INTRASTATE HOUSEHOLD GOODS ACTIVITY

Interstate vs. Intrastate Business Activity

Licensed movers actively provide different levels of intrastate moving service. Figure 4 shows that 212 of the licensed carriers in 2006, or 67 percent, report both interstate and intrastate activity and 64 carriers, or 20 percent, are engaged exclusively in intrastate business activity. Together, 276 companies, or 87 percent of the licensed carriers provided some type of intrastate moving services. The total of 35 companies, or 11 percent, who engage only in interstate moving activity and 7 household goods carriers, or 2 percent, who report no moving activity for the year 2006 combined makes 42 carriers, or 13 percent, of the licensed carriers did not provide intrastate services in 2006.

**FIGURE 4:
Number of Companies by Activity Type
2002-2006**



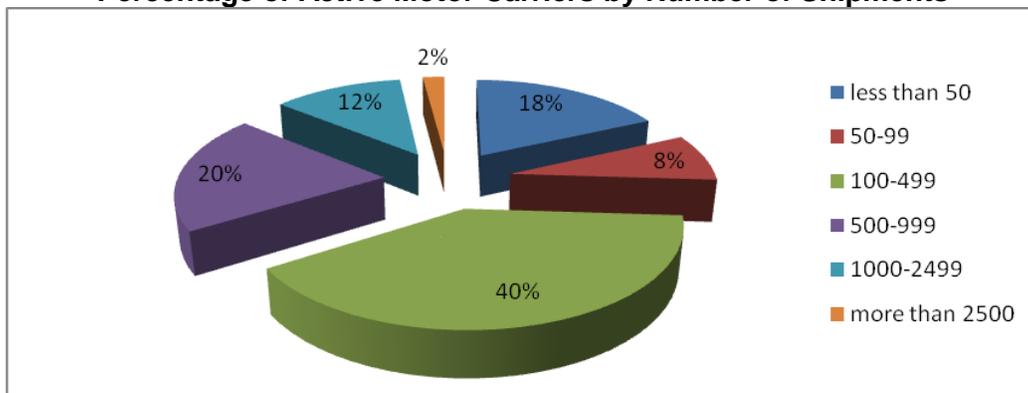
Looking across years, the number of companies providing the various types of transportation service fluctuates only slightly at four to seven percent within their respective categories. Interstate moving services were at a high in 2002 with 14 percent, while comprising 11 percent of the industry in 2006. 2004 reports indicated a five year low in interstate services only with ten percent. 2004 did see an increase in companies providing intrastate moving services only with 84 carriers representing 21 percent of household goods moving companies. Companies providing both interstate and intrastate services continue to represent the largest majority of licensed carriers with a five-year average of 64 percent. Since 2002 approximately 85 percent of the industry is involved in intrastate moves.

Illinois Intrastate Household Goods Revenue and Shipments:

In 2006, the 276 active carriers report that 94 percent of all intrastate shipments (134,283 of 142,632) were hourly rated shipments, and 8,349 shipments, or approximately 6 percent of the total intrastate moves were weight distance shipments. However, these numbers cannot be compared over the last five years because beginning March 1, 2004, hourly rates apply not only for moves less than 35 miles but also for moves entirely within Cook, DuPage, Kane, Kendall, Lake, McHenry and Will counties. In 2005, five percent of the total intrastate moves were weight-distance increasing only slightly to six percent in 2006.

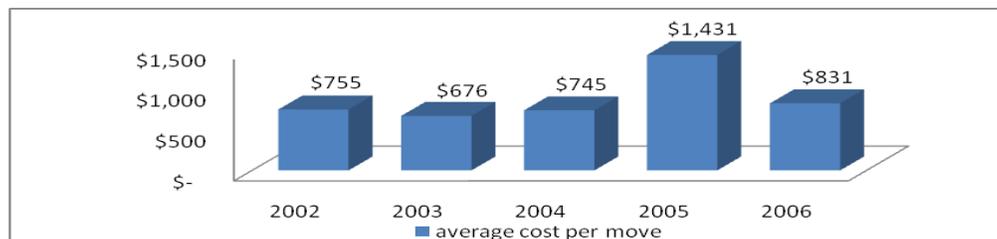
Figure 5 reflects the percentage of companies by total number of shipments made for the year 2006. The majority of active carriers, 40 percent, provided fewer than 500 intrastate shipments of which 50 carriers or 18 percent reported less than 50 intrastate shipments for the year. Only 13 percent or 37 carriers reported making more than 1,000 intrastate shipments last year of which 5 carriers reported 2,500 or more shipments. The distribution of companies' shipments parallels the activity reported in the past.

**FIGURE 5:
Percentage of Active Motor Carriers by Number of Shipments**



With almost 143,000 for-hire household goods shipments within Illinois in 2006 generating approximately \$118.5 million in annual revenue, the average consumer cost was \$830 per move. Figure 6 on the following page shows these costs (average revenue per shipment for moving companies) drop from a \$1400 in 2005; but remain higher than the averages reported in 2002 through 2004, being \$755, \$676 and \$744 respectively.

**FIGURE 6:
Average Revenue per Intrastate Shipment
2002-2006**



In 2006 the median (middle) revenue per shipment of \$759 is lower than the average revenue per shipment of \$831, so more companies' revenue per move is higher than the average revenue per move. For this to happen companies are either reporting more revenue (with a fixed number of moves) and/or fewer moves (with a fixed amount of revenue).

Table 3 shows the total number of intrastate shipments as well as the intrastate revenue generated by the top five percent of the carriers based on number of shipments. The last column indicates ranking based on intrastate revenue. The top 5 percent, or 14 carriers, account for 30 percent of all intrastate shipments made during calendar year 2006 and 50 percent of all intrastate revenue generated for 2006. Seven companies have been in the top 5 percent for the last five years.

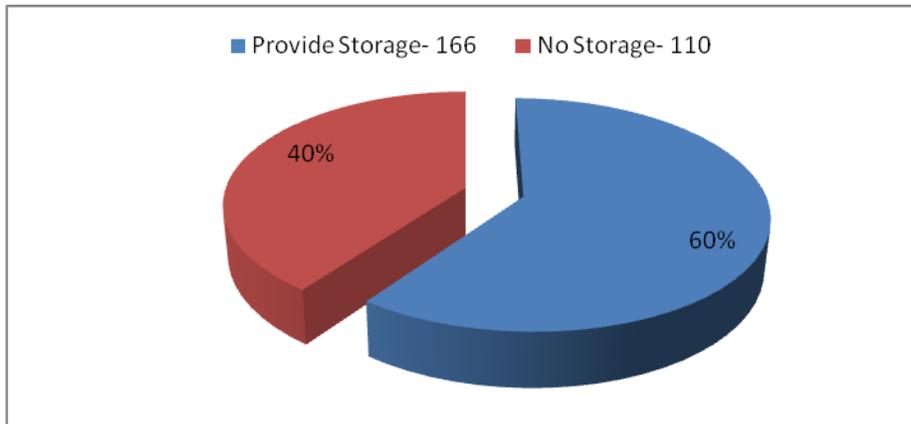
**TABLE 3:
Top 5 % Active Moving Companies Based on Total Intrastate Shipments**

Rank	Company	Shipment			Revenue	
		Total	Local	Wgt Dist	Dollars	Rank
1	MIDWAY MOVING & STORAGE, INC.	9211	9161	50	\$ 4,927,177	4
2	GOLAN'S MOVING AND STORAGE, INC.	6038	6038	0	\$ 7,891,143	3
3	BREDA MOVING COMPANY, INC.	3495	3450	45	\$ 2,601,493	8
4	EZ MOVERS, INC.	2632	1975	657	\$ 2,600,000	9
5	ALEXANDER'S MOVERS, INC.	2515	2515	0	\$ 773,571	14
6	APEX OF MICHIGAN, LLC	2496	2490	6	\$ 1,332,786	10
7	ANDERSON BROS. STORAGE AND MOVING CO.	2440	2440	0	\$ 3,152,682	7
8	ALL MY SONS MOVING & STORAGE, INC.	2400	2385	15	\$ 3,159,309	6
9	REEBIE STORAGE & MOVING COMPANY, INC.	2048	2023	25	\$ 15,939,080	1
10	KENNEY'S DELIVERY, INC.	2009	1977	32	\$ 854,234	13
11	ALL CHICAGOLAND MOVING & STORAGE COMPANY	1993	1963	30	\$ 9,646,032	2
12	AFFORDABLE MOVING CO., INC.	1923	1923	0	\$ 3,764,621	5
13	SAB MOVING LLC	1748	1735	13	\$ 1,202,000	11
14	SEBBY ENTERPRISES, INC.	1658	1658	0	\$ 930,134	12

Storage:

Carriers that provide household goods storage for their customers are licensed by the Illinois Department of Agriculture, Bureau of Warehousing. In Part 2 of the annual report carriers indicate to the Commission if they provide storage for household goods. Figure 7 on the following page captures the carriers' responses, showing that 40 percent do not provide storage and 60 percent do offer storage for household goods.

**FIGURE 7:
Household Goods Storage Provided by Carrier**



SUMMARY

For analysis purpose, an active carrier is defined as having generated at least one dollar in revenue for household goods shipments wholly within Illinois. For the calendar year 2006, 318 household goods carriers filed an annual report. Forty-two reported no intrastate household goods activity, resulting in the identification of 276 companies as active intrastate household goods carriers.

- Cook County has the largest number of active movers with 120 companies or 44 percent of the industry. Another 62 companies or 22 percent of the 276 active carriers are headquartered in four collar counties: DuPage, Kane, Lake and Will; 23 companies or seven percent are headquartered outside of Illinois, the remaining 26 percent are located throughout the state of Illinois. In fact, 14 counties have only carrier.
- Moving companies reported employing 11,518 people, generating \$1.6 billion in total for-hire transportation revenue and logging 264 million miles for the year, over 45,600 thousand miles per truck.
- The total number of vehicles used by active carriers decreased 4.3 percent in 2006 with a 5.3 percent increase in the number of trucks used for both intrastate and interstate activity, a 3 percent decrease in the number of trucks used only for interstate activity, and 28.8 percent decrease in the number of trucks used only for intrastate moves.
- The 2006 operating ratio was 98.9 percent and 96.3 percent in 2005, resulting in a decline of 2.6 percent for the industry.
- Licensed movers provide different levels of intrastate moving service. The majority of carriers were involved in interstate moving and not solely dependent on moving household goods within Illinois as a primary source of revenue. 67 percent or 212 of the licensed carriers report both interstate and intrastate activity while 20 percent or 64 carriers are engaged exclusively in intrastate business activity. Together, 276 companies, or 87 percent of the licensed carriers provided some type of intrastate moving services.
- The vast majority of active carriers are small companies. During the year 2006, the majority of active carriers, 66 percent, provided fewer than 500 intrastate shipments of which 50 carriers or 18 percent reported less than 50 intrastate shipments for the year.
- The number of active carriers earning 100 percent of their revenue from Illinois intrastate shipments increased from 78 in 2003 to 84 in 2004, then shrank to 71 carriers in 2005 and continued to fall to 64 in 2006.
- With almost 143,000 for-hire household goods shipments within Illinois last year generating approximately \$118.5 million in annual revenue, the average consumer cost was \$831 per move.

- Using the total number of intrastate shipments as a ranking, the top 5 percent of active carriers accounted for approximately 30 percent of all intrastate shipments and 50 percent of all intrastate revenue generated during the year 2006.