

Attachment 3
SUMMARY
SMALL BUSINESS ECONOMIC IMPACT STATEMENT
HOUSEHOLD GOODS MOVER RULES
August, 1998

This is a summary of the full Small Business Economic Impact Statement associated with the Washington Utilities and Transportation Commission rulemaking of August, 1998. For more information, the full SBEIS should be reviewed.

BACKGROUND: Current regulations of household goods movers serve to inhibit competition, provide limited consumer protection, and no pricing flexibility. In addition, the cost of regulating the industry exceeds the revenue available under law for this purpose. These rules are designed to address these concerns.

COST OF COMPLIANCE: The cost of compliance with the rules is expected to be relatively small, amounting to significantly less than one percent of total revenues. Mitigation measures have been recommended as part of this SBEIS, and incorporated into the proposed rule, which are expected to make the net cost of compliance with the proposed rule for small businesses as close to zero as can be reasonably estimated.

The costs of compliance include:

- 1) Providing and retaining estimates;
- 2) Acknowledging consumer complaints more quickly;
- 3) Securing cargo insurance

The decreased costs resulting from the rule include:

- 1) Fewer hearings before the Commission
- 2) Fewer complaints, resulting from pricing flexibility, price caps and binding estimates;
- 3) More time to respond to Commission demands for production of records
- 4) Ability to suspend a permit for medical reasons;
- 5) Reduced cost of buying an existing permitted carrier.

MITIGATION MEASURES INCLUDED IN THE RULE: The following mitigation measures, to reduce the cost of complying with the rule for small businesses, are recommended for implementation by the Commission. Several of these can be implemented outside of the rulemaking itself:

- 1) Extended time limit for applying for reinstatement of a suspended permit;
- 2) Extended time limit for production of records requested by the Commission;
- 3) A shorter annual report for small firms;
- 4) Development of a model estimate form by the Commission;

5)Development of a model complaint register by the Commission;