

ATTACHMENT B
 Small Business Economic Impact Statement (SBEIS)
 Issues
 August 1998

Following are the rules reviewed in the Small Business Economic Impact Statement. Rule language can be found in the staff's proposed rule presented to the Commission at the open meeting on August 12, 1998.

SBEIS Rules for Review				
WAC Reference/Title	Expected Result of the Cost of Compliance	What changed?	What will cause the expected result?	Recommended Mitigation Action
WAC 480-15-190 Where may I operate with a permit?	Decrease	Under existing rule, local cartage and commercial zones rules required grant of special authority before a carrier could operate in those urban areas. The proposed rule eliminates these restrictions and carriers will be granted unrestricted authority unless the carrier opts to self select less territory (at the county level) in which to serve.	The proposed rule will reduce the administrative cost of compliance. Existing carriers will be granted statewide authority unless they self select a smaller operating zone at the county level. New entrants will benefit through significantly reduced costs associated with hearings. Protest will no longer mandatorily require a hearing. Carrier staff will no have to educate themselves on the boundaries that may be served. Charts and maps that may have been maintained (never required by UTC) by carriers can be eliminated.	No mitigation required
WAC 480-15-280 When must I apply for temporary authority?	No effect	Under existing rule, the commission has authority to ask the questions identified. The proposed rule will formalize the elements.	There is no increase in costs associated with obtaining a temporary permit. These rules merely state elements commission has always had authority to	No mitigation required

SBEIS Rules for Review				
WAC Reference/Title	Expected Result of the Cost of Compliance	What changed?	What will cause the expected result?	Recommended Mitigation Action
			require for temporary permit authority.	
WAC 480-15-300 What conditions may be attached to my temporary authority?	Decrease	Under existing rule the commission has authority to ask these questions. The proposed rules formalizes the elements.	Carrier savings are expected to be realized through the process change which will decrease the likelihood of a hearing when the carrier requests permanent operating authority.	No mitigation required
WAC 480-15-330 When must I apply for permanent authority?	Decrease	Existing rule allows that a new applicant may operate under temporary authority before receiving permanent authority. However, most applications are protested and go to a hearing. Under the proposed rules, the applicant will have the opportunity to satisfy the public need while conducting business under temporary authority and the commission may choose to forgo a hearing during the permanent authority process. Under the proposed rule new applicants are required to operate under temporary authority before a permanent authority will be granted.	Increased expectation there will be less need for a hearing to grant permanent authority which will result in reduced costs associated with a hearing. Note: In the past many carriers have bought existing permits from carriers and then come to the commission to transfer authority. This practice will likely decrease which will reduce the high cost of buying a permit on the open market.	No mitigation required
WAC 480-15-350 Will my application be set for a hearing?	Decrease	Under existing rule, all applications that are protested are set for hearing. The new process allows that, depending on the nature of a protest, there is an increased expectation	Increased expectation that many new applicants and protestants will not have to incur the cost of a hearing	No mitigation required

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		that applications will not be set for hearing.		
WAC 480-15-410 What if I can't use my permit?	Decrease	Under existing rule, the only reason a carrier can voluntarily suspend their permit is due to military leave. The new rule expands acceptable reasons for voluntary suspension to include military service and medical reasons.	Voluntary suspension due to medical reasons will allow carriers to cancel their required insurances due to medical reasons.	No mitigation required
WAC 480-15-480	No Effect	Existing rules are not changed under the proposed rules.	While no increased compliance costs are expected, these rules may represent a disproportionate higher cost for small business compared to costs for large business.	Recommend mitigation action: Direct commission staff to change annual report forms to require an Income Statement from small businesses every four years rather than every year. The mitigation measure can be accomplished outside the rulemaking process.
WAC 480-15-490		Under existing rule, the tariff rates and	Record keeping costs are not	No mitigation

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Tariff and Rates, General (2)(b)	No Effect	charges are set at one price. The proposed interim rule allows for minimum and maximum rates and charges.	disproportionately excessive compared to large business.	recommended - see SBEIS discussion
WAC 480-15-550 Cargo Insurance	Increase	Existing rule, the commission does not have a requirement for cargo insurance. Staff has used federal common carrier requirements as a guideline for the new rule and increased that level based on comments received from stakeholders.	A very slight increase may be realized as carriers may have to research and purchase cargo insurance. It is anticipated that over 90% of the carriers providing household goods moving services already have cargo insurance. The increase is not disproportionate higher for small business when compared to large business.	No mitigation recommended - SBEIS discussion
WAC 480-15-630 Estimates	Optional Increase	Existing rules do not allow binding estimates. The proposed rule allows carriers to offer binding estimates.	If a carrier chooses to offer a binding estimate, estimate forms and other sales information must be changed and printed. The increased administrative costs will come from the development of a new form. As a fixed cost, form development will be proportionately higher for small businesses than for a large business.	Recommend mitigation action: Direct commission staff to develop an estimate form for optional use. This mitigation measure can be accomplished outside the rulemaking

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				process.
WAC 480-15-690 Form of Estimates	Decrease	Existing rules require carriers to bill shippers for any charges above their estimate. Proposed rule will prohibit carriers from billing customers above the set percentages of their estimate and supplemental estimate.	Reduced administrative costs due to reduced billing paperwork.	No mitigation required.
WAC 480-15-810 What must I do when I receive a complaint and/or a loss or damage claim?	Increase	Existing rule allows carriers 30 days to notify a shipper, in writing that they have received the complaint and/or loss or damage claim. Proposed rule reduces time to notify the customer of receipt of complaint and/or loss or damage claim to 10 days.	A 20 day reduction in time to notify the shipper they have received their complaint and/or loss and damage claim may put an increased burden on small carriers that is disproportionately higher than for large carriers	No mitigation Recommended: Allowing small businesses a greater period of time to respond to consumers would penalize consumers for contracting their move with a small business.
WAC 480-15-840 Are complaint or claim records subject to commission review and in what order must I keep the records?	Increase	Existing rule requires carriers to keep all complaint and claims in consecutive numbered order. The proposed rule adds the requirement to also establish and maintain a register that records the complaint and claims records.	Establish and maintain a complaint and claims register.	Recommended mitigation action: Direct commission staff to develop a claims register form for optional use.

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				This mitigation measure can be accomplished outside the rulemaking.
WAC 480-15-870 What must I do if, after review, the shipper is still dissatisfied with the resolution of the complaint or claim?	Increase	Existing rule does not require the carrier to notify the shipper of the Washington and Utilities and Commission. The proposed rule will require the carrier to notified the unsatisfied shipper that the commission is available for further review and our address and telephone number.	A very slight increase in the cost of compliance is anticipated. Notification may be accomplished by any means appropriate such as: phone, fax, mail, etc..	No mitigation recommended: Allowing small businesses any decrease in responsibility for complying with this rule would penalize consumers for contracting their move with a small business.
WAC 480-15-890 What must I do if the commission refers a complaint to me	Decrease	Existing rule requires carrier to produce any records on demand. The proposed rule increases the time to respond to the commission to 5 days regarding shipper complaints.	A 5 day increase in time to respond to the commission regarding shipper complaints may still represent a disproportionate increase in cost for small businesses.	Recommended mitigation action: Allow small businesses 10 days to respond to commission

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				<p>requests for the production of claim and complaint records.</p> <p>If accepted, the mitigation measure should be included in rule.</p>