

Agenda Date: June 11, 2020
Item Numbers: E2, E3, E5, E6

Dockets: **TE-200456 Charter and Excursion**
 TV-200471 Household Goods Carriers
 TV-200481 Common Carriers
 TN-200494 Non-Profit Buses

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Recommendation

Commission staff (staff) recommends the commission waive reinstatement application fees for charter and excursion, household goods, non-profit buses, and common carrier companies whose operating authority was cancelled or can demonstrate that the company was unable to afford insurance leading to involuntary cancellation of the companies operating authority due to the COVID-19 pandemic and Governor’s Proclamation, provided these companies meet applicable industry stipulations and apply within 90 days of the entire state reaching phase four of “Stay Home – Stay Healthy” restrictions.

Discussion

On February 29, 2020, Governor Inslee issued Proclamation 20-05, which declared a state of emergency in all counties in the State of Washington due to the worldwide outbreak of COVID-19. On March 23, 2020, the Governor issued Proclamation 20-25, “Stay Home – Stay Healthy,” which prohibits all people in the State of Washington from leaving their home or place of residence except to conduct or participate in (1) essential activities, and/or (2) employment in providing essential business services.

Following the COVID-19 outbreak and Governor’s Proclamations, commission regulated transportation companies experienced a significant decrease in business or were prohibited to operate. The conditions of the pandemic and Governor’s Proclamations caused significant economic turmoil and hardship for these businesses. In the subsequent weeks, many companies struggled to afford the commercial automobile liability insurance required by their applicable industry Washington Administrative Code (WAC) rules. Many companies voluntarily cancelled their operating authority, allowing them to reduce insurance rates and avoid involuntary cancellation. Other companies stopped paying when they were no longer able to afford insurance and subsequently had their operating authority cancelled involuntarily.

On May 4, 2020, Governor Inslee issued Proclamation 20-25.3 which amended the previous “Stay Home – Stay Healthy” orders and allowed for a phased return to normal travel in Washington. Following this, commission regulated transportation companies with cancelled operating authority began the reinstatement application process.

Staff recommends the commission, on its own initiative, waive the reinstatement application fees for commission regulated transportation companies that voluntarily cancelled their operating authority or can demonstrate that they were unable to afford insurance leading to involuntary cancellation of their operating authority due to the COVID-19 pandemic and Governor's Proclamation. Staff further recommends charter and excursion carriers, household goods carriers, non-profit buses, and common carriers that have no outstanding penalties owed to the commission or have any open consumer complaints. Additionally, staff recommends that all industry companies, including common carriers must apply within 90 days of the entire state reaching phase four of "Stay Home – Stay Healthy" restrictions.

Staff finds that the exemption is consistent with the purposes underlying regulation and applicable statutes. Granting an industry-wide exemption for commission regulated transportation companies that voluntarily cancelled their operating authority or can demonstrate that they were unable to afford insurance leading to involuntary cancellation of their operating authority due to the COVID-19 pandemic and Governor's Proclamation, rather than requiring each individual industry carrier to submit individual requests for exemptions is a more efficient use of commission resources. This will proactively address the economic impacts of the current health crisis on the regulated transportation industry, as well as provide relief to regulated transportation companies.

In summary, many charter and excursion service companies, household goods companies, common carriers and non-profit buses who have had canceled operating authority due to the COVID-19 pandemic and Governor's Proclamation(s) are applying for reinstatement of operating authority. These companies have endured significant economic turmoil and financial hardship. Granting industrywide exemptions from reinstatement fees is an efficient use of commission resources. It also addresses the economic impact of the current health crisis on the regulated transportation industry, as well as provides relief for regulated transportation companies.

Conclusion

Staff recommends the commission waive reinstatement application fees from charter and excursion, household goods, non-profit buses, and common carriers that voluntarily cancelled their operating authority or can demonstrate that they were unable to afford insurance leading to involuntary cancellation of their operating authority due to the COVID-19 pandemic and Governor's Proclamation, provided these companies meet applicable industry stipulations and apply within 90 days of the entire state reaching phase 4 of "Stay Home – Stay Healthy" restrictions.