



PROPOSED RULE MAKING (RCW 34.05.320)

CR-102 (7/10/97)

Do NOT use for expedited adoption

Agency: WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

X Original Notice

Preproposal State of Inquiry was filed as WSR 97-22-082; or Expedited Adoption--Proposed Rule Making notice was filed as WSR ...; or Proposal is exempt under RCW 34.05.310(4).

SERVICE DATE SEP 25 1998

Supplemental Notice to WSR Continuanace of WSR

(a) Title of rule: (Describe Subject) Motor Carriers of Household Goods. Docket No. TV-971477

Purpose: To promote competition within the household goods industry and provide consumers with more choices by easing entry requirements, eliminating barriers to areas of operations, and providing rate flexibility. To strengthen consumer protection elements, and to review rules in accordance with Executive Order 97-02. Other Identifying Information: Repeal all rules in Chapter 480-12 WAC, except WAC 480-12-100 and WAC 480-12-370, and establish a new chapter 480-15 WAC governing carriers of household goods.

(b) Statutory authority for adoption: RCW 80.01.040 and RCW 81.04.160 Statute being implemented: None

(c) Summary: Federal preemption of most areas of transportation economic regulation has left household goods carriers, a group of approximately 250 regulated carriers, under the rules, policies, and procedures designed to regulate almost 4,000 carriers. Many of the current rules are ill-suited for the smaller group. In addition, chapter 480-12 WAC is scheduled for agency review in compliance with Executive Order 97-02. The proposed rules are drafted to apply only to the smaller transportation subset of household goods carriers. The proposed rules ease entry requirements, eliminate barriers to areas of operations, allow pricing flexibility, strengthen consumer protection elements, and clarify commission policy regarding the household goods definition.

Reasons supporting proposal: Changes are necessary to allow more carriers to provide household goods moving services and allow carriers to expand their operations. Changes are also necessary to protect consumers. It is expected these changes will promote competition within the industry, increase consumer choice, and provide stronger consumer protection elements.

(d) Name of Agency Personnel Responsible for: Office Location Telephone 1. Drafting... Kim Dobyms, 1300 S. Evergreen Park Drive S.W., Olympia, WA 98504 360-664-1242 2. Implementation... Carole J. Washburn, Secretary, 1300 S. Evergreen Park Drive S.W., Olympia, WA 98504 360-664-1174 3. Enforcement..... Carole J. Washburn, Secretary, 1300 S. Evergreen Park Drive S.W., Olympia, WA 98504 360-664-1174

(e) Name of proponent (person or organization) Washington Utilities and Transportation Commission Private Public Governmental

(f) Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: None

(g) Is rule necessary because of: Federal Law? Federal Court Decision? State Court Decision? Yes No Yes No Yes No If yes, ATTACH COPY OF TEXT Citation:

(h) HEARING LOCATION: Commission Hearing Room Second Floor, Chandler Plaza 1300 S. Evergreen Park Drive S.W. Olympia, WA 98504-7250 Date: November 16, 1998 Time: 9:30 a.m. Assistance for persons with disabilities: Contact Pat Valentine by November 14, 1998 TDD (360) 586-8203 or (360) 664-1133

Submit written comments to: Carole J. Washburn, Secretary, P.O. Box 47250, Olympia, WA 98504 or E-mail to <records@wutc.wa.gov>. Please include Docket No. TV-971477 in your communication. FAX (360)586-1150 By (date) October 14, 1998

DATE OF INTENDED ADOPTION: NOVEMBER 16, 1998

CODE REVISER USE ONLY

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NAME (TYPE OR PRINT) CAROLE J. WASHBURN

SIGNATURE

TITLE SECRETARY

DATE Sept 16, 1998

(COMPLETE REVERSE SIDE)

(j) Short explanation of rule, its purpose, and anticipated effects:

The proposal would make several changes to existing rules. It would ease entry requirements by changing the application process and interpreting the standards of public interest and public convenience and necessity to address the concerns of the consumer. The proposed rules allow carriers greater opportunities to operate in the state by eliminating rules which require carriers to obtain specific operating authority (local cartage and commercial zones) to provide services in specific cities and metropolitan areas of the state. These changes are necessary to allow more carriers to provide household goods moving services and allow carrier to expand their operations. It is expected these changes will increase competition and consumer choice.

Additionally, the proposed rules provide for pricing flexibility through the use of an interim rule which allows carriers to price their services within a range of the current tariff rates. This policy change is necessary to allow for service expansion in the industry and will also increase consumer choice where pricing is a determining factor.

The proposed rules strengthen consumer protection by capping the amount a carrier can charge a consumer above its estimate, providing carriers the option to issue binding estimates, clarifying credit options, reducing carrier complaint response time, and providing a more complete range of valuation options.

The proposed rules also clarify Commission policy and authority in the areas of compliance, complaint resolution and, what constitutes household goods.

Finally, the proposed rules are drafted in clear language, as directed by Executive Order 97-02.

Does proposal change existing rules? **YES** **NO** **If yes, describe changes:**

It provides a new chapter of rules specifically for household goods carriers. The proposed rules provide a new process for new entrants to follow when seeking to enter the household goods industry and a new process for existing carriers wishing to change their operating areas.

It provides for a tariff band of rates and charges of 15% above and 35% below the existing tariff rates in effect on the effective date of the proposed rules. It puts a cap of 25% for local moves and 15% for long distance moves on the amount a carrier may charge a customer above its written estimate. It provides carriers with an option of offering customers a binding estimate.

It provides a revised set of consumer disclosure information. The proposed rules are written in language that is more clear and concise than the existing rules.

Finally, the proposed rules eliminate and/or revise unnecessary or burdensome requirements such as eliminating rules that applied to other transportation sectors and reducing certain record keeping requirements.

(k) Has a small business economic impact statement been prepared under chapter 19.85 RCW?

Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by writing to:

Washington Utilities and Transportation Commission
Records Center, Docket No. TV-971477
P.O. Box 47250
Olympia, WA 98504-7250

telephoning: (360) 664-1234
faxing: (360) 586-1150

No. Explain why no statement was prepared.

(l) Does RCW 34.05.328 apply to this rule adoption?

YES **NO**

Please explain:

The Commission is not an agency to which RCW 34.005.328 applies and this rule is not a significant legislative rule as defined in this statute.

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;

SMALL BUSINESS ECONOMIC IMPACT STATEMENT HOUSEHOLD GOODS MOVERS

Prepared For:

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
AUGUST, 1998

Prepared by:

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RULE SUMMARY

These rules include a reduction in the regulatory burden associated with registering with the Commission as a household goods mover, together with increased consumer protection for customers of such businesses. The proposed rules provide for a different process for obtaining permanent authority by requiring new applicants to obtain temporary authority for a six month period on a provisional basis, and allow the Commission to evaluate whether the firm is providing service to consumers consistent with statutory and regulatory requirements during this period, prior to consideration of whether to grant permanent authority. The rules also eliminate the requirement for a hearing to determine fitness, permit flexibility in pricing, allow the use of binding estimates, impose limits on the amount which a carrier may charge in excess of the amount estimated in a non-binding estimate, and allow for the temporary voluntary suspension of a permit for medical reasons. Finally, the rules provide for more expedited handling of consumer complaints about the quality of service rendered.

REGULATORY FAIRNESS ACT REQUIREMENTS

The Regulatory Fairness Act, Chapter 19.85 RCW, requires review and mitigation of rules which have an economic impact on more than 20 percent of the businesses of all industries or more than 10 percent of the businesses in any one industry (as defined by any three digit SIC code).

Mitigation should minimize the impact on small businesses. The revisions proposed to chapter 480-12 WAC may meet these requirements, and the Commission has elected to submit a small business economic impact statement with the proposed rules.

As used herein, the word "Statement" means the Small Business Economic Impact Statement required by the Regulatory Fairness Act. "Commission" means the Washington Utilities and Transportation Commission. "Carrier" means a firm providing household goods transportation service for hire. "Consumer" means an individual or company purchasing household goods transportation service.

BACKGROUND

The term "household goods mover" and "household goods carrier" refer to companies providing moving services for residential consumers. These services are regulated if they include actually moving the goods from one location to another within the state (subject to some narrow exclusions), but do not apply to firms which merely pack and load a truck for a customer, nor to self-moving operations such as U-Haul, Penske, or Ryder, where the consumer actually rents and operates the vehicle.

Prior to 1980, all interstate and intrastate transportation of goods for hire was regulated as to price and service quality. In 1980, the federal government deregulated interstate transportation of most goods, except for a few categories, including household goods. In 1995, federal legislation extended this to intrastate transportation of most goods, again, with an exclusion for household goods. The clear trend in transportation regulation has been to allow market forces and consumer protection standards, rather than regulation, to ensure quality service at fair, just, and reasonable prices.

Washington's regulations which apply to household goods carriers are essentially unchanged since the period prior to deregulation efforts. The rules are somewhat antiquated, and may actually interfere with the ability of citizens of the state to obtain high quality service at fair, just, and reasonable prices. One reason for this is that under deregulation of carriage of material other than household goods, many additional carriers having the fitness to carry household goods have entered the state's economy, providing carriage of other categories of goods. Another is that the process of obtaining regulatory approval to carry household goods may be so onerous that few potential applicants seek approval. Many of these may be providing service in violation of existing regulations, some may be providing service which conforms to safety and quality standards, but without required permits, and others may be unwilling to apply for approval or offer service despite their fitness to do so.

Because of the onerous nature of the state's regulation of this industry, the actual number of firms currently offering service in the state has declined. While 247 firms hold authority to move household goods, in 1997, only 116 actually provided such services and filed reports in compliance with the Commission's regulations.

Part of the current system of regulation is the establishment by the Commission of specified rates and charges for household moving services. One of the most frequent causes of complaints to the Commission by consumers is that household goods carriers have provided an estimate, but the actual bill for moving greatly exceeds the estimate. Because the carriers are statutorily required to charge the approved rate, even if it is greater than the estimate, the Commission is not in a position to assist these consumers, although it may impose penalties on carriers which are the subject of multiple complaints.

INVOLVEMENT OF SMALL BUSINESS IN THE RULEMAKING [19.85.040 (2)(b) and (3)]

The Commission involved small businesses in the rulemaking through a series of meetings throughout the development of the rules. Attachment A to this Statement lists the meeting dates and attendees at these meetings. Two associations were involved in the development of the rules, under the process described by RCW 34.05.310(2)(a). The Washington Movers Conference represents substantially all of the currently permitted carriers, large and small. The Association of Independent Movers represents a self-selected group of non-permitted firms currently providing or interested in providing household goods carriage. In addition, some attendees were small firms which were not members of either association, and consumers of household goods moving were included. A representative was appointed by the Public Counsel Section and Consumer Protection Division, Office of the Attorney General, to represent the general public.

SUMMARY OF FINDINGS AND MITIGATION EFFORTS

This analysis finds that, on balance, the proposed rules will reduce the regulatory burden on all firms engaged in providing household goods moving service, as follows:

Benefits:

- New Entrants: Reduction in the regulatory burden associated with obtaining permission to provide service is a great reduction in the burden on new entrants.
- Limited Carriers: Provides all existing carriers the option to expand their certificated service territories up to and including statewide service with no requirement for a hearing, no fee, and no arduous application procedure. The regulatory burden associated with educating personnel regarding the boundaries of service will be eliminated for those which choose unlimited service or service with recognized political boundaries.

Unlimited Carriers: Carriers currently holding statewide authority are granted increased flexibility to refuse to provide service under specified circumstances. The smallest unit of service will be at the county level, so household goods carriers will not longer need to be familiar with the boundaries of cities and towns or commercial districts, which can shift over time as annexations occur.

Small Business

New Entrants: The requirement that the Commission hold a hearing on every protested application for authority is eliminated, and the conditions for demonstrating "public convenience and necessity" are expanded to reflect a consumer perspective, resulting in a higher probability that an application will be approved. Since small businesses are likely to be the primary new applicants, these changes are likely to primarily benefit small businesses.

Information received during workshops during the drafting of the proposed rule indicated that small firms desiring to enter this field have lower cost structures than those implied by the current tariff. The authority to have rates which are lower than the current tariff, within the rate bands proposed, are anticipated to be the largest benefit to small business new entrants, allowing them to offer competitive pricing in order to secure market share, while still earning a fair return.

All Carriers:

The permission for use of both binding estimates and estimates with rate caps around them will allow all carriers to provide an estimate to consumers which will not be exceeded by more than a limited amount, eliminating the most common source of time-consuming complaints. The elimination of most hearings on the fitness of new entrants will greatly reduce the time and money spent by both new and existing carriers in proceedings before the Commission.

Small Business

Users:

Small businesses which use household goods carriers (e.g., to move employees) will benefit from greater predictability in cost resulting from binding estimates and/or price caps around non-binding estimates. To the extent that the banded rates facilitate pricing at less than the current tariff rate, these provisions will allow direct economic benefits to small businesses using household goods carriers.

Detriments:

- Small Carriers:** The requirements for complaint handling, a complaint register, and the requirement to retain estimates create potential additional costs. Because these costs are only partly variable with the size of the enterprise, they may represent a disproportionate impact on small businesses. Mitigation is recommended with respect to the creation of a complaint register and estimate form.
- All Carriers:** The tariff, including a banded rate, may be more confusing for personnel to understand. A requirement for cargo insurance may increase costs for any carriers not currently procuring such insurance. A very slight increase in recordkeeping will be required with respect to complaints.

NUMBER OF BUSINESSES AFFECTED

Currently there are 247 certificated household goods carriers in the state, but only 116 of these reported actual revenues during 1997 from moving household goods between points within the state of Washington. While additional new entrants who are not currently providing any kind of transportation service for hire may enter the household goods carrier field as a result of these rules, the number of motor freight carriers operating in the state provides a rough indication of the number of businesses which are currently fit and able (or could easily become fit and able) to provide household goods service, but are not currently certificated to provide such service. There are more than four thousand motor freight carriers operating within the state.

Of the 247 household goods carriers permitted in the state, only two reported 1997 revenues from intrastate carriage of household goods of more than \$2 million, and only seven reported 1997 revenues from intrastate carriage of household goods of more than \$1 million. If these were the total revenues of the firms involved, essentially all household goods carriers would be considered small businesses under the Regulatory Fairness Act. However, many of the firms engaged in intrastate household goods carriage also provide interstate service, and many provide other forms of transportation service. It is the total number of employees of a firm which determine whether they are "small" or not small, not just the number of employees working exclusively in intrastate carriage of household goods.

CHANGES IN REGULATORY BURDEN

Attachment B to this Statement provides a section by section comparison of the existing and proposed rules, and identifies the changes in regulatory burden associated with each.

COSTS OF COMPLIANCE [19.85.040(1)(c)]

The costs of compliance with these rules occurs primarily as a result of three changes:

Valuation and Insurance: The proposed rule requires carriers to offer financial responsibility for loss or damage to household goods at different optional levels, and to obtain cargo insurance.

Current rules effectively provide for self-insurance of goods at very low valuations. The proposed rule provides for higher levels of valuation, but permits carriers to charge consumers directly for any coverage they opt for above the current requirement. This feature is not expected to impose any cost on carriers; in fact, experience in the rental car industry is that "optional" coverage is often a profit center, not a cost. Therefore there is no additional net cost to the carrier of the valuation options required by the rule.

There is an additional regulatory requirement for a maximum of \$20,000 of cargo insurance. Insurance representatives who currently provide insurance to household goods carriers have indicated that all or nearly all already carry this level (or more) of cargo insurance. This is not expected to be a material cost addition to any significant number of household goods carriers. For the few which may currently not carry cargo insurance (and therefore are self-insuring on even the minimum level of valuation which must be provided), there will be a small additional insurance cost. Self-move companies currently offer per-trip coverage at nominal rates (\$10 - \$20 per day); these firms report that the vast majority of claims are for damage to the vehicles, not to the contents. Insurance carriers indicated that a major cost of cargo insurance is driven by state regulatory filing requirements -- if the carrier (rather than the insured) must notify the Commission of the provision or expiration of the insurance. In order to mitigate this cost, the rule does not require that the insurance company make filings with the Commission.

The maximum cost this Statement anticipates any small carrier would incur for cargo insurance is the equivalent of 10% of the self-move rate, or \$2 per move; for larger carriers, one half of this amount is assumed, consistent with the information Staff received from insurers.

Estimates: The proposed rule allows carriers to provide consumers with binding estimates as well as non-binding estimates. A small cost associated with changing forms is anticipated. Estimates must be retained for a period of two years, so a storage / recordkeeping cost is imposed.

Complaints: The proposed rule requires that complaints be acknowledged (not resolved) within ten days, compared with a 30 day requirement in current rules. This may impose a labor cost on some carriers.

DECREASED COSTS CAUSED BY THE RULE

There are decreased costs of compliance resulting from these rules. These fall primarily into the following categories:

Hearings to modify service territory: Currently, existing and potential carriers may expend significant time in hearings which the Commission convenes to consider grants of authority, based on an historic application of the requirement to determine if additional firms are required to serve the "public convenience and necessity." The proposed rule allows the Commission to grant or deny such authority without hearings, which will greatly reduce the labor and professional services costs for both existing and potential carriers.

Binding Estimates and/or Bill Caps Reducing Complaint Resolution Requirements: The proposed rule allows carriers to provide binding estimates to consumers, and places limits on the amount a carrier may charge over a non-binding estimate. Once an estimate is accepted by a consumer, that consumer is protected against higher charges for the services identified in the estimate. This rule change is designed to prevent any increase in the number of complaints the Commission receives and processes. Some complaints in the past have been the result of carriers charging up to three times the amount estimated. Such complaints are time consuming for the carrier, the consumer, and the Commission staff.

Complaint Procedure: The current rule requires carriers to produce records "on demand" of the Commission. The proposed rule allows carriers 5 days to respond. This may eliminate the need for carriers to pay overtime to respond to Commission requests for information.

Voluntary Suspension of Permit: The current rule allows a voluntary suspension of a permit only if the permit holder is called into active military service. The proposed rule also allows a voluntary suspension of the permit for medical reasons. The economic benefit of suspension to the carrier is that insurance coverage can be suspended during the period that the permit is suspended, a considerable economic savings.

Reduced Cost of Buying a Permit: There are two reasons for a new entrant to currently purchase an existing permit, rather than apply for a new permit. The first is that the existing permit comes with an ongoing business, including the reputation, goodwill, and market recognition of an existing business. The proposed rule will not change this incentive. The second is that securing a new permit generally requires a contested hearing process, with high legal, professional, and managerial time commitments. The proposed rule will generally reduce these costs, meaning that the cost of buying an existing permit will be reduced to a level consistent with the value of the enterprise which is being purchased.

COMPARISON OF COSTS -- LARGE VERSUS SMALL BUSINESSES

A key element to the SBEIS is a comparison of how the costs of regulation affect small versus large businesses, and identifying ways to mitigate any disproportionate impacts on small businesses. The majority of the language in the proposed rule simply restates in simpler

terminology the current regulations in place. The SBEIS does not examine the existing costs of compliance, but only the changes in the cost of compliance as a result of proposed changes in the existing rules.

This Statement identified the costs imposed by these rules in two ways. First, an annual cost is computed for these costs, for both a large and small carrier. Second, a per-unit cost, tied to the revenues of the firm, is computed for those costs which do vary with the amount of service provided. These costs are then evaluated based on the fee structure which the proposed rule and applicable statute impose for fairness among larger and smaller firms.

The key cost increases resulting from the proposed rules involve providing estimates, record keeping and filing of reports with the Commission. There is no specific expense category in the current annual reports filed by household goods carriers to precisely track how these types of costs vary between small and larger carriers. There is a cost category for "Accounting Services" which is used in this Statement as a proxy for the costs of recordkeeping and report filing. This Statement finds that there is NOT a disproportionate burden on small business from existing accounting requirements, based on the following analysis, based on an examination of a random sample of one-half of the carriers providing intrastate household goods carriage in each size category and reporting costs for accounting services in their 1997 Annual Report to the WUTC.

Percentage of Revenue to Accounting Services

Intrastate Household Goods Revenue	Total Revenue Range	% of Revenue for Accounting Services
Over \$1 million	\$1.6 - \$9.5 Million	.55%
\$100,000 - \$250,000	\$134,000 - \$7 Million	.52%
Under \$50,000	\$40,000 - \$1.3 million	.52%

In discussions with small businesses, the following factors were identified as leading to this proportionate burden of accounting costs:

- 1) The average cost per move does not differ significantly between large and small firms;
- 2) Outside accounting and bookkeeping firms typically charge on either a number of transactions basis or a percentage of revenues basis; both are proportionate for small and large firms;
- 3) In small firms where bookkeeping is handled internally, the individuals providing this service are either employed part-time or have multiple duties, which keeps the costs assigned to this function proportionate.

The estimated costs and benefits of the proposed rules are set forth below by category. "Record Keeping" includes creating and retaining estimates, assumed to be at \$2 per estimate, with one-half of estimates producing revenues averaging \$1000. Cargo insurance is estimated at \$2 per move for small firms, based on charges from self-move companies for "safe-move" type insurance, and one-half that amount for large firms, but only 10% of carriers are assumed to be not currently carrying such insurance. Equipment costs are zero, because there is no change in required equipment for permitted carriers; costs incurred by currently non-permitted carriers to comply with regulatory requirements are a cost created by the opportunity to become a permitted carrier (a reduction of regulation), not by any changes in safety rules.

Commission filing requirements are assumed to be reduced for small firms based on the proposed mitigation measure reducing the frequency of the detailed filing requirement for small firms to once every four years. Complaints are assumed to use less carrier (and Commission) time, because the caps on how much can be charged over the estimate is expected to hold down the number of complaints. The cost of participating in fewer WUTC hearings for existing permitted carriers is assumed to reduce costs by \$100 per year for small firms and \$1000 per year for large firms, based on a legal/technical cost of \$10,000 per hearing shared proportionately among permitted carriers, and an assumption of three avoided hearings per year. The same level of cost -- \$10,000 -- is assumed to be avoided by all new applicants for permits.

Estimated Burden of Proposed Rules [19.85..040(1)(c)]

Costs	Per Firm		Per \$100 of Revenue	
	Small	Large	Small Firms	Large Firms
Record Keeping	\$200	\$2000	\$.20	\$.20
Insurance	\$20	\$100	\$.02	\$.01
Equipment	None	None	None	None
Benefits -- All Carriers				
Filings	-\$100	None	(\$.10)	None

Complaints	-\$100	-\$1000	(\$0.10)	(\$0.10)
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Benefits - Existing Permitted Carriers

Protests / Hearings	-\$100	-\$1000	(\$0.10)	(\$0.10)
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One-Time Benefits - New Permitted Carriers

Protests / Hearings	-\$10,000	-\$10,000	(\$10.00)	(\$1.00)
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Assumptions:

Small Firms: 100 moves per year, \$100,000 Annual Revenue

Large Firms: 1000 moves per year, \$1,000,000 Annual Revenue

Complaints: # of consumer complaints reduced by 50%

Hearings: 2 hearings per year avoided; Assume 10 large, 100 small firms. Large firms contribute \$500 per hearing; Small firms contribute \$50 per hearing.

Record Keeping: The mitigation recommendations which allow small firms more time to respond to demands for production of records and the ability to suspend their permits for medical reasons are assumed to partially offset the additional record keeping caused by these rules. The elimination of the Schedule 2 filing requirement as part of the annual report (requiring this only quadrennially) reduces the filing costs for small businesses.

OTHER ISSUES

Small Business Suppliers: The Statement recognizes a class of small business which may be affected by the rule for which no clear impact of the rule is evident. This consists of small businesses which are suppliers to the household goods moving industry. Examples include truck repair, equipment suppliers, accounting services and legal services. If, as expected, the rules result in more firms becoming permitted carriers, greater compliance with safety regulations is expected, and there will be a small net benefit to small businesses providing truck repair and moving equipment (with a corresponding net cost to currently unpermitted carriers not presently meeting these safety requirements). If, as expected, the rules result in a larger number of firms becoming permitted carriers and filing annual reports, there will be a small net benefit to small businesses providing accounting services (with a corresponding net cost to currently unpermitted carriers not presently meeting these filing requirements). If, as expected, the rules result in fewer protests of applications for operating permits and fewer hearings before the WUTC, there will be a small net detriment to small business firms providing legal services (with a corresponding savings to firms now employing such services for protests and hearings).

Devaluation of Permit: Historically, new entrants have often become certificated household goods carriers by purchasing existing businesses and permits, rather than applying for new permits. This has led to a perceived "value" being ascribed to a permit, which might be seen to be diminished by these rules providing for more expeditious handling of applications for new permits.

First and foremost, many of the transactions for permits occurred in years prior to deregulation of interstate and intrastate motor freight, and many of these firms provided regulated services in that environment. The carriage of household goods in intrastate commerce is typically only a small fraction of the business of such firms, and the "devaluation of permits" issued by the State of Washington, if any occurred, can primarily be ascribed to the deregulation of motor freight and office moving services, not household goods.

From an economic perspective, the Commission's rate making authority requires that it set rates based upon the investment and expenses used to provide service. In this process, no value has ever been ascribed to the "permit" as an investment, even though many carriers may have actually incurred a direct cost to secure the permit. The only "value" which an existing permit should ever have under regulation is the underlying value of the market presence, goodwill, and name familiarity of the underlying business.

Given the requirement that the Commission regulate "in the public interest" and issue permits when justified by the "public convenience and necessity," it is axiomatic, in economic terms, that the "permit" itself has no value. If at any time regulation created a scarcity of household moving services to the point where the mere permission to operate was valuable, over and above the value of the business and the equipment owned by the business, it is clear that the regulators should have either reduced the rates (rebating the excess of rates over costs of providing service to consumers) or allowed additional entrants into the business.

The fact that the Commission has not allowed the inclusion of costs of acquiring a permit to be included in the formula used to construct rates for household goods carriers is consistent with this view: the "permit" itself is not a thing of value.

RECOMMENDATIONS: MITIGATION OF DISPROPORTIONATE COSTS TO SMALL EMPLOYERS [19.85.040(2)(a)]

The Regulatory Fairness Act requires consideration of measures which will mitigate the impact of the proposed rule on small businesses. These are defined as those with fewer than fifty employees. This statement recommends consideration of the following mitigation measures, and adoption of those which do not impose a significant administrative burden on the agency or impair the effectiveness of the intent of the proposed rule:

- 1) Allow more time for small businesses to meet certain deadlines imposed by the rules;
- 2) Require less information to be filed with the Commission by small businesses;
- 3) Have the WUTC develop a model or uniform Estimate form and Complaint Register available for use by all carriers.

The small businesses affected by this rule, in many cases, are sole proprietor or family owned and operated firms. Many do not have a full time office staff, or the ability to handle routine correspondence in the way that a larger firm might be able to. The "management" of the firm in many cases is also the driver of the vehicle providing service, and "office work" must compete with the provision of household goods carriage for the owner or manager's time. During the peak moving season in particular, this can create circumstances where prompt responses to some inquiries may be difficult. Consequently, this Statement recommends three specific measures to permit smaller firms to have more time to respond to circumstances requiring written communication. Large firms, by contrast, generally have a full-time office staff person or persons, and can be expected to have more resources available to facilitate prompt communication.

Mitigation Measures Recommended for Agency Consideration

Time limit for application for reinstatement of a suspended permit: The proposed rule (WAC 480-15-460) would allow 30 days for application for reinstatement. This Statement recommends that this be extended to 60 days for a small business, as defined.

Time limit for production of records: The proposed rule (WAC 480-15-890) changes the current "on demand" requirement to five days. This Statement recommends that this deadline be set at ten days for a small business, as defined.

Shorter Annual Report: The next mitigation measure is to reduce the amount of information which must be filed with the Commission by a small business. The current Annual Report is four pages long, consisting of a summary page and two Schedules. This Statement recommends that Schedule 2 (Income Statement) be required only once every four years from a small business, as defined (this frequency will permit analysis of the costs incurred by small businesses by the WUTC). The certification on Schedule 1 (name and officers of company) would be modified to permit self-certification of eligibility as a small business, by modifying the "drivers and equipment" section to include total number of employees. This will reduce the reporting requirement and paperwork by more than 50% for small businesses. Larger businesses will still be subject to filing Schedule 2. The Commission may want to consider a financial threshold rather than the 50 employee threshold for definition of a small business. If the threshold were set at \$200,000 per year, approximately two-thirds of the currently reporting carriers would be exempt from filing Schedule 2. The Commission would still retain the right to request the

information on Schedule 2 from any carrier. The Commission will implement this recommendation outside of this rulemaking, effective in 1999.

Model or Uniform Estimate Form: One of the additional costs which the rule would cause to be incurred is the development of forms for providing estimates for consumers, which the rule then requires be adhered to within specified limits. It is assumed that some consumers will desire binding estimates, and that therefore some carriers will offer binding estimates. This Statement recommends that the WUTC consider developing a model Estimate Form which could be used by any carrier. This would eliminate the cost to any small business to develop such a form. The Model Form would set forth the elements of the estimate, together with the rules and regulations affecting binding and non-binding estimates. Because the cost of developing (as opposed to printing) the form is a fixed cost, it represents a disproportionate impact on small businesses. An example of this is the standard real estate forms offered by escrow agencies, which are used by multiple real estate brokerages. The Commission will develop a Model Form within 120 days of adoption of these rules. The Model Estimate Form may be used by any carrier, or carriers may develop their own Estimate Form, provided it complies with the requirements of the rule.

Model or Uniform Complaint Register: One of the additional costs which the rule would cause to be incurred is the development of a complaint register, which is in a different form than firms currently log complaints. This is a disproportionate cost on small business because of the fact that the process of establishing a register is a fixed cost, independent of volume. By creating a model complaint register, which any firm may use, the Commission would eliminate the costs incurred in creating a complaint register. The actual logging of complaints will be proportionate to the volume of business and quality of service, and there is no reason to believe that these will impose a disproportionate burden on small business. The Commission will develop a Model Complaint Register within 120 days of adoption of these rules. The Model Complaint Register may be used by any carrier, or carriers may develop their own Complaint Register, provided that it complies with the requirement of the rule.

Mitigation Measures Considered and Rejected

The following mitigation measures were considered as part of the Statement and rejected for the reasons set forth:

Time to acknowledge a complaint: The proposed rule (WAC 480-15-810) reduces the currently allowed 30 days to acknowledge a complaint down to 10 days. This Statement considered a recommendation that the lag be permitted to be up to 20 days for a small business, as defined. The 10 day period would continue to apply to carriers which do not meet the definition of a small business. This option was rejected because it would impose a burden on consumers, who may be facing an impending deadline by which they must file a claim, without knowing if their complaint has been received or not. The only cost of compliance is to respond

with a post card acknowledging receipt of the complaint; no change in the time allowed for a substantive response to the complaint is required by the rule.

Lower application fee for smaller carriers: The statute limits the application fee the Commission can charge to \$550 per applicant, and that is the current and proposed level. This fee represents a disproportionate impact on small businesses, because it does not vary with the size of the enterprise. This Statement considered a recommendation that a lower fee be imposed on smaller firms. The Commission staff has determined that this does not cover even the processing costs of the smallest applications for authority. If the \$550 limit is raised in the future, it may be appropriate to establish a lower fee for smaller firms.

Lower regulatory fee for smaller carriers: The statute limits the regulatory fee the Commission can collect to .25% of gross operating revenues. This does not represent a disproportionate impact on small businesses, because it does vary in a completely linear fashion with the size of the enterprise. A separate statute requires that the Commission's regulatory programs be self-funding. Household goods carriage regulatory costs currently exceed regulatory revenues, and one of the purposes of the proposed rule is to reduce the regulatory workload to a level consistent with available program revenue, while enhancing that revenue by bringing a larger percentage of firms actually providing household goods carriage under regulation. A reduction in the regulatory fee can perhaps be considered in the future if these goals are successful.

Deadline for filing the required annual report: The proposed rule (WAC 480-15-480) requires all firms obligated to file annual reports to do so by May 1 of each calendar year. This statement considered a recommendation that this date be extended to June 1 of each year for a small business, as defined. This date was selected to permit flexibility for small businesses, while spreading the Commission staff workload. Because the larger businesses generate the majority of the revenues which are submitted with the Annual Reports, the revenue impact to the State of this recommendation would be minor. This measure was rejected because of a statutory requirement that the Annual Report be filed no later than four months after the end of the year, and that is the current requirement. (RCW 81.80.321)

PARTICIPATION IN THE HOUSEHOLD GOODS RULEMAKING - Docket No. TV-971477
 Attachment A
 08/12/98

Interested Persons	Written Comments to date		DRAFT 2 Additional Written Comments to date		Rule Drafting Session		Rule Drafting Session		Valuation (Insurance) Brainstorming Session		Written Comments and Stakeholder Meeting	
	CR101 10/22/97	Stakeholder Meeting 1/29/98	CR101 Stakeholder Meeting 4/14/98	Written Comments to date 5/14/98	Rule Drafting Session 5/15/98	Rule Drafting Session 5/26/98	Rule Drafting Session 6/5/98	Valuation (Insurance) Brainstorming Session 6/25/98	Written Comments and Stakeholder Meeting 7/29/98			
CONSUMERS:												
1 Charlene Blankenship				X								
2 Debra Chakos; Office of State Procurement			X					X				
3 Mrs. B. R. Geddes			X									
4 Julian Gladstone			X									
5 Cynthia J. Lansphear			X									
6 Grace Lee			X									
7 Chris & Betsy Preston			X									
8 Ray Schwehr			X									
9 Dave Tillon			X									
10 Victoria Zadeh			X									X
PERMITTED CARRIERS:												
11 Doug Bernd; Bamd Moving		X										
12 Robert J. Boush; Boush Moving and Storage			X									
13 Bill Brown; Evergreen Moving			X									
14 Terry Bruso; Graebel Companies		X										
15 James M Bunger; Bekins			X									
16 Bruce Carmichael; Lincoln Moving & Storage		X										
17 James M. Connors; S&M Moving Systems Unlied		X										
18 Mike Conner; Clancy's Transfer		X										X
19 Scott M. Creek; Crown-Mayflower		X										
20 Ron Cronkhite; Metropolitan Movers		X										
21 Greg Cullip; Graebel Companies		X										
22 Steve Davenport; Bellingham Transfer		X										
23 James K. Deuel; Evergreen Transfer & Storage		X										
24 Pat DiJulio; Westem Van & Storage		X										
25 Phil Elrod; Blue Bird		X										
26 Steve Erclar; K&E Moving & Storage		X										
27 George Fouch; Rainier Moving Systems, Inc.		X										
28 Al Gaine; All American Allied		X										
29 Romo S. Galvagno; Air Van NorthAmerican		X										
30 Steven M. Galvagno; Air Van NorthAmerican		X										
31 Gary Hansen; Blue Ribbon		X										
32 Pete Hockstaff; Sanders Transfer		X										
33 Cody Hodge; Eagle Transfer Company		X										
34 Dean Jackson; Larson Transfer Co.		X										
35 Doug Jackson; Larsen Transfer co.		X										
36 Al Jones; Prait-Mayflower		X										

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37 Lorie Kenyon; A-1 Plano		X			X		X				X	
38 Wall Kupka; Ed's Moving & Storage, Inc.												
39 Steven K. Levan; Starving Students												
40 Bob Loidhamer; Spaeth Transfer, Inc.		X										
41 John Loidhamer; United Moving		X										
42 Garry Lynch; Alexander's Moving & Storage			X									
43 Mike MacDowell; City Moving Systems			X									
44 Mike Marsh; PomArleau Transfer & Storage			X									
45 Mike Michael; Morgan Transfer, Inc.		X										
46 Kathy Mitchell; Sanders Transfer		X										
47 Harry W. Naubert, Jr.; Allwest Transportation			X									
48 Mark Naubert; Washington Moving & Storage		X					X				X	
49 Larry Nelsen; Hansen Bros. Moving & Storage												
50 Shane Oliver; A-1 Plano												
51 Terry PomArleau; PomArleau Transfer & Storage Corp.				X								
52 Dan Powell; Star Moving Systems		X										
53 Jane Purkey; A.A. Star Transfer Co., Inc.			X								X	
54 P. Alan Purkey; Grayport Transfer & Storage Co.			X								X	
55 Scott Robertson; Crown Moving Co.		X										
56 Michael B. Schab; Maskelyne Transfer & Storage		X										
57 Richard K. Smith; Corporate Moving Systems		X										
58 Jay Swan; Swan's Moving & Storage		X										
59 Stephen Tilloison; Conrad Moving & Storage												
60 Ed Tuohy; Mountain Moving & Storage												
61 Christy Urelai; Bekins NW		X										
62 Ed Wendler; Wendler Hauling Co.		X										
63 Sibyl Wendler; Wendler Hauling Co.												
64 Vaughn Windham; Graebel Van Lines												
65 Dennis White; Worldwide Movers		X										
66 Steve Yates; Northwest Moving Service, Inc.				X								
ORGANIZATIONS REPRESENTING PERMITTED CARRIERS:												
67 Jack R. Davis; Davis & Baldwin		X										
68 Dick Golf; Acordia Insurance												
69 Joe Harrison; American Moving & Storage Assn. (AMSA)			X							X		
70 Rochelle Hayden; Better Business Bureau			X									
71 Jay Lawley; Washington Movers Conference (WMC)			X							X		X
72 Teresa Maher; Better Business Bureau			X							X		
73 James R. Tutton; Washington Movers Conference (WMC)		X		X						X		X

Interested Persons	Written Comments to date		Written Comments to date		DRAFT 2 Additional		Valuation (Insurance)		Written Comments and	
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74 David W. Wiley; Williams, Kasiner & Gibbs	X	X	X		X			X		
NON-PERMITTED INDIVIDUALS AND COMPANIES:										
75 James Albertson; Spring Moving & Storage					X					
76 Dave Campbell; Father & Fast Careful Sons					X		X			
77 Ken Crowe; A.A.R.K.			X		X			X		
78 Tony Bompadre; A.A.R.K.			X		X			X		
79 Marsha Erickson; NW Smooth Moving			X		X			X		
80 Pat Hulton										
81 Michele Marsh; NW Smooth Moving & Packing	X		X		X					
82 Christine McKay; Shurgard Storage To Go, Inc.			X		X					
83 Mike the Mover					X			X		
84 Patty Moody; NW Moving & Packing	X				X			X		
85 Bruce Palm; Advanced Moving Service	X				X					
86 Thomas Shanks; Mike the Mover	X				X					
87 Ronald Suter; A.A.R.K.										
88 Cheryl Svendsen; NW Smooth Moving & Packing			X		X					
89 Malthev Throop; Advantage Moving			X		X					
NON-PERMITTED ORGANIZATIONS:										
90 Todd G. Glass; Heller Ehrman White & McAuliffe										
91 David Spellman; Lane Powell Spears Lubersky	X						X			
CONSUMERS' ORGANIZATIONS:										
92 Consumers Union, Southwest Regional Office										
93 Regina Cullen; Attorney General's Office/Consumer Protection					X		X			
94 Shaun Gill; Attorney General's Office/Consumer Protection								X		
95 Donna Fisher; Attorney General-Consumer Protection			X					X		
96 Michael Karp; Attorney General's Office					X		X			
MEDIA:										
97 Bruce Ramsey; Seattle Post Intelligencer		X								
REPRESENTING INDEPENDENT CARRIERS:										
98 Brian C. McCulloch		X			X		X			

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

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 480-15-280 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 require for temporary permit authority.	No mitigation required
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

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 480-15-350 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 that applications will not be set for hearing.	Increased expectation that many new applicants and protestants will not have to incur the cost of a hearing	No mitigation required
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

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 480-15-480	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.	<p>Recommend mitigation action:</p> <p>Direct commission staff to change annual report forms to require an Income Statement from small businesses every four years rather than every year.</p> <p>The mitigation measure can be accomplished outside the rulemaking process.</p>
WAC 480-15-490 Tariff and Rates, General (2)(b)	No Effect	Under existing rule, the tariff rates and charges are set at one price. The proposed interim rule allows for minimum and maximum rates and charges.	Record keeping costs are not disproportionately excessive compared to large business.	No mitigation recommended - see SBEIS discussion

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 480-15-550 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.	<p>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.</p> <p>The increase is not disproportionate higher for small business when compared to large business.</p>	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.	<p>If a carrier chooses to offer a binding estimate, estimate forms and other sales information must be changed and printed.</p> <p>The increased administrative costs will come from the development of a new form.</p> <p>As a fixed cost, form development will be proportionately higher for small businesses than for a large business.</p>	<p>Recommend mitigation action: Direct commission staff to develop an estimate form for optional use.</p> <p>This mitigation measure can be accomplished outside the rulemaking process.</p>

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 480-15-690 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.

SBEIS Rules for Review

WAC Reference/Title	Expected Result of Cost of Compliance	What changed?	What will cause the expected result?	Recommended Mitigation Action
<p>WAC 480-15-840</p> <p>Are complaint or claim records subject to commission review and in what order must I keep the records?</p>	<p>Increase</p>	<p>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.</p>	<p>Establish and maintain a complaint and claims register.</p>	<p>Recommended mitigation action: Direct commission staff to develop a claims register form for optional use. This mitigation measure can be accomplished outside the rulemaking.</p>
<p>WAC 480-15-870</p> <p>What must I do if, after review, the shipper is still dissatisfied with the resolution of the complaint or claim?</p>	<p>Increase</p>	<p>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.</p>	<p>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..</p>	<p>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.</p>

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
<p>WAC 480-15-890</p> <p>What must I do if the commission refers a complaint to me</p>	<p>Decrease</p>	<p>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.</p>	<p>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.</p>	<p>Recommended mitigation action:</p> <p>Allow small businesses 10 days to respond to commission requests for the production of claim and complaint records.</p> <p>If accepted, the mitigation measure should be included in rule.</p>

REPEALER

The following chapter of the Washington Administrative Code is repealed:

WAC 480-12-001	Supersession of this chapter.
WAC 480-12-003	Procedure.
WAC 480-12-005	Communications.
WAC 480-12-010	Rule book must be in main office-- Rule book fee--Updates-- Notification of pending and adopted rule changes--Compliance with rules.
WAC 480-12-015	Documents--When filed.
WAC 480-12-020	Remittances.
WAC 480-12-022	Procedures for contest of fees.
WAC 480-12-025	Address, change of.
WAC 480-12-030	Applications.
WAC 480-12-031	Petition to amend permit to incorporate commercial zone authority.
WAC 480-12-033	Temporary permits.
WAC 480-12-045	Application for authority, docketing--Protests--Hearings.
WAC 480-12-050	Transfer of permit rights.
WAC 480-12-065	Permits, canceled--New application.
WAC 480-12-070	Permit rights defined-- Classification of carriers.
WAC 480-12-080	"Local cartage" defined, and restrictions.
WAC 480-12-081	Commercial zones defined.
WAC 480-12-083	Adoption by reference defined.
WAC 480-12-084	Federal Regulations, 49 C.F.R., Part 390--Adoption by reference.
WAC 480-12-100	Forwarders and brokers.
WAC 480-12-115	Revision of permit.
WAC 480-12-120	Permits, location of.
WAC 480-12-121	Operating authority on vehicles.
WAC 480-12-125	Lost permits.
WAC 480-12-126	Interstate operations; requirements; definitions.
WAC 480-12-127	Registered carriers.
WAC 480-12-130	Interstate exempt carriers.
WAC 480-12-135	Permits and receipts--Return required--Loss improper use of cards or stamps.
WAC 480-12-150	Equipment--Identification.
WAC 480-12-165	Equipment--Inspection--Ordered for

WAC 480-12-170	repairs.
WAC 480-12-180	Equipment of carrier suspended.
WAC 480-12-185	Equipment--Drivers--Safety.
WAC 480-12-190	Equipment, lawful operation of.
	Hours of service--On duty--Adoption
	of federal safety regulations.
WAC 480-12-200	Accidents, reporting of.
WAC 480-12-210	Leasing.
WAC 480-12-215	Pseudo leasing.
WAC 480-12-220	Unfair or destructive competitive
	practices by carrier operating
	under permit.
WAC 480-12-235	Claims for loss or damage.
WAC 480-12-250	Accounts--Uniform system adopted--
	Reports.
WAC 480-12-255	Contracts.
WAC 480-12-265	Tariffs.
WAC 480-12-270	Tariffs shall be issued, posted and
	filed.
WAC 480-12-275	Freight classifications.
WAC 480-12-280	Tariffs, must have.
WAC 480-12-285	Tariffs, distribution and fees.
WAC 480-12-290	Rules of distribution.
WAC 480-12-295	Tariffs, proposed changes in--How
	made.
WAC 480-12-300	Tariff rules.
WAC 480-12-320	Routing of freight.
WAC 480-12-325	Freight charges paid in any manner
	other than cash.
WAC 480-12-330	Tariffs, observance of.
WAC 480-12-335	Rebating and other violations--
	Hearing.
WAC 480-12-340	Credit, extension of, by common
	carriers.
WAC 480-12-345	Credit, extension of, by contract
	carriers.
WAC 480-12-350	Insurance.
WAC 480-12-355	Insurance, continuance of.
WAC 480-12-360	Insurance endorsement.
WAC 480-12-365	Insurance termination.
WAC 480-12-370	Insurance, carrier shall not
	misrepresent.
WAC 480-12-375	Bond required--Broker--Forwarder.
WAC 480-12-385	Inactive status of permits during
	military service.
WAC 480-12-395	Rules--How changed.
WAC 480-12-400	Definitions.
WAC 480-12-405	Determination of weights.
WAC 480-12-410	Discounts prohibited--Rates based
	on prepayment charges prohibited.
WAC 480-12-415	Prohibition against carrier acting
	as agent for another carrier.
WAC 480-12-420	Acting as agent for compensation

WAC 480-12-425	for insurance company prohibited. Issuance of receipt or bill of lading for transportation prior to receiving household goods prohibited.
WAC 480-12-430	Liability of carriers.
WAC 480-12-435	Estimates of charges.
WAC 480-12-440	Absorption or advancement of dock charges.
WAC 480-12-445	Information to shipper.
WAC 480-12-450	Minimum weight shipments.
WAC 480-12-455	Underestimates.
WAC 480-12-460	Complaint procedures.
WAC 480-12-465	Charge card plans.
WAC 480-12-600	Regulatory fee.
WAC 480-12-990	Appendix A--Classification of brokers, forwarders and motor carriers of property.

Chapter 480-15 WAC

INTRASTATE HOUSEHOLD GOODS CARRIERS

Part 1 - GENERAL

Part 1.1 - GENERAL INFORMATION

NEW SECTION

WAC 480-15-010 Purpose and application. (1) The legislature has declared that operating as a motor carrier of freight, including household goods, for compensation over the highways of this state is a business affected with a public interest and should be regulated. The purpose of these rules is to carry out the policies set forth in RCW 81.80.020 as they apply to household goods carriers, by establishing standards for public safety, fair competitive practices, just and reasonable charges, nondiscriminatory application of rates, adequate and dependable service, consumer protection, and compliance with statutes, rules and commission orders.

(2) This chapter applies to all intrastate household goods carriers.

NEW SECTION

WAC 480-15-020 Definitions. For the purpose of this chapter, the words, terms, and phrases in this section have the following meaning:

(1) "**Accessorial services**" means any services provided by a household goods carrier that supplement, or are secondary to, the

transportation of household goods, including, but not limited to, packing and unpacking, wrapping or protecting a portion of the shipment, and providing special handling of household goods.

(2) "**Agent**" means a permitted carrier, who, under the provisions of a formal written agreement, performs services on behalf of another permitted carrier.

(3) "**Application docket**" means a commission publication listing applications requesting operating authority, and commission action taken on applications for temporary authority.

(4) "**Authority**" means the rights granted to a common carrier to transport household goods.

(5) "**Cancellation**" means an act by the commission to terminate a household goods carrier's authority.

(6) "**Commission**" means the Washington utilities and transportation commission.

(7) "**Common carrier**" means any person who undertakes to transport property, including household goods, for the general public by motor vehicle, for compensation over the public highways. This term also includes transportation under special and individual contracts or agreements.

(8) "**Constructive weight**" means a weight based on a formula of seven pounds per cubic foot of properly loaded van space occupied by the shipper's goods.

(9) "**Consumer**" means a person or entity that hires a household goods carrier.

(10) "**Customer**" means a person or entity that hires a household goods carrier.

(11) "**Exempt carrier**" means any person operating a motor vehicle exempt from certain provisions of Title 81 RCW pursuant to RCW 81.80.040.

(12) "**Filing**" means any application, petition, tariff proposal, annual report, comment, complaint, pleading, or other document submitted to the commission.

(13) "**Household goods carrier**" means a common carrier transporting household goods within the state of Washington.

(14) "**Household goods**" when the term is used in connection with transportation, means personal effects and property used or to be used in a residence when it is a part of the equipment or supply of such residence, and is transported between residences or between a residence and a storage facility, with the intent to later transport to a residence. This term excludes transportation of customer packed and sealed self-storage type containers when no accessorial services are provided by a motor carrier in connection with the transportation of the container.

(15) "**I**" means a household goods carrier or shipper, depending upon the context of the rule.

(16) "**Loaded weight**" means the weight of a motor vehicle obtained when:

(a) The shipper's goods are loaded into the vehicle;

(b) The vehicle's fuel tank is full;

(c) All pads, chains, dollies, hand trucks, and other equipment needed in the transportation of the shipment are on board

the vehicle;

(d) The vehicle's crew is not on board the vehicle.

(17) "**Local move**" means all moves taking place within the limits of a city or town or moves specifically defined as local in the commission tariff.

(18) "**Long distance move**" means any move not meeting the definition of a local move.

(19) "**May**" means an option. You may do something but it is not a requirement.

(20) "**Motor carrier**" means "common carrier," "exempt carrier," and "private carrier," as defined in this chapter.

(21) "**Motor vehicle**" means any vehicle, machine, tractor, trailer, or semi-trailer, propelled or drawn by mechanical power, or any combination of such vehicles, used upon the highways in the transportation of property, including household goods.

(22) "**Must**" means a legal obligation. You are required to do something.

(23) "**Net weight**" means the weight of the goods shipped by the consumer. It is determined by subtracting the tare weight of a motor vehicle from the loaded weight.

(24) "**Permit**" means a document issued by the commission describing the authority granted to a household goods carrier under the provisions of chapter 81.80 RCW, as amended. A permit may be temporary or permanent in duration, and may allow a household goods carrier to transport household goods throughout the state of Washington or limit the household goods carrier to transportation of household goods in designated areas of the state.

(25) "**Person**" includes any individual, firm, corporation, company, or partnership.

(26) "**Private carrier**" means persons who transport their own household goods, household goods being bought or sold by them in good faith, or transport household goods purely as an incidental adjunct to some established business owned or operated in good faith.

(27) "**Registered carriers**" means motor carriers operating in interstate or foreign commerce under authority issued by the Interstate Commerce Commission, the U.S. Department of Transportation, or a successor agency.

(28) "**Registered exempt carriers**" means motor carriers operating in interstate or foreign commerce under the exemptions of the Federal Motor Carrier Act without interstate authority issued by the Interstate Commerce Commission, the U.S. Department of Transportation, or a successor agency.

(29) "**Shipper**" means a person or entity that hires a household goods carrier.

(30) "**Small business**" means any business entity, including a sole proprietorship, corporation, partnership, or other legal entity, that is owned and operated independently from all other businesses, that has the purpose of making a profit, and that has fifty or fewer employees.

(31) "**State**" means the state of Washington.

(32) **"Suspension"** means an act by the commission to temporarily withhold a household goods carrier's authority.

(33) **"Tare weight"** means the weight of an empty motor vehicle obtained when:

(a) The vehicle's fuel tank is full;

(b) All pads, chains, dollies, hand trucks, and other equipment needed in the transportation of the shipment are on board the vehicle; and

(c) The crew is not on board the vehicle.

(34) **"Tariff"** means a publication containing the rates and charges that must be assessed on shipments of household goods and the rules that govern how rates and charges are assessed.

(35) **"Transportation of household goods"** means the for hire movement of household goods by motor vehicle over the public highways of the state. This includes providing estimates, arranging for receipt, delivery, storage in transit, handling, and providing any accessorial services in connection with that movement.

(36) **"Us"** means the Washington utilities and transportation commission.

(37) **"We"** means the Washington utilities and transportation commission.

(38) **"You"** means a household goods carrier, shipper, insurance company, or other person or entity, depending on the context of the rule.

NEW SECTION

WAC 480-15-030 Waiver of rules. (1) We may grant a waiver of any rule in this chapter, when doing so is consistent with the public interest, the purposes underlying regulation, and sound public policy, and is consistent with applicable statutes.

(2) To request a rule waiver, a person must file with the commission a written request identifying the rule for which a waiver is sought, and giving a full explanation of the reason(s) the waiver is requested. The commission will notify you in writing when your request is granted or denied.

NEW SECTION

WAC 480-15-040 Adoption by reference. We have adopted by reference the following publications:

(1) *"North American Uniform Out-of-Service Criteria"* published by The Commercial Vehicle Safety Alliance, in effect on April 1,

1998.

(2) The sections of "Title 49 Code of Federal Regulations," cited as 49 CFR, listed below, including all regulations and appendices and amendments to those sections in effect on October 1, 1998:

(a) 49 CFR Part 382: Controlled Substance and Alcohol Use and Testing;

(b) 49 CFR Part 383: Commercial Driver's License Standards; Requirements and Penalties;

(c) 49 CFR Part 390: Safety Regulations, General;

(d) 49 CFR Part 391: Qualification of Drivers;

(e) 49 CFR Part 392: Driving of Motor Vehicles;

(f) 49 CFR Part 393: Parts and Accessories Necessary for Safe Operations;

(g) 49 CFR Part 395: Hours of Service of Drivers;

(h) 49 CFR Part 396: Inspection, Repair, and Maintenance; and

(i) 49 CFR Part 397: Transportation of Hazardous Materials; Driving and Parking

NEW SECTION

WAC 480-15-050 Where may I get copies of documents adopted by reference? (1) The *North American Uniform Out-of-Service Criteria* may be viewed at the branch of the Washington state library housed at the commission's headquarters and is available for a fee from the Commercial Vehicle Safety Alliance and third-party vendors.

(2) Title 49 of the Code of Federal Regulations may be viewed at the branch of the Washington state library housed at the commission's headquarters and is available for a fee from the GPO (Government Printing Office) and third-party vendors.

Part 1.2 - CONTACTING THE COMMISSION

NEW SECTION

WAC 480-15-060 How may I contact the commission? You may contact the commission in writing, in person, by telephone, by e-mail, or by FAX. If you are a permit holder, you should provide your permit name and number for proper identification.

(1) Mailing address:

The Secretary
Washington Utilities and Transportation Commission (or, WUTC)
P.O. Box 47250
Olympia, WA 98504-7250

- (2) E-mail address: transinfo@wutc.wa.gov
- (3) FAX number: (360) 586-1150
- (4) Telephone number: (360) 664-1222

NEW SECTION

WAC 480-15-070 Where is the commission located? The Washington utilities and transportation commission is located at 1300 S Evergreen Park Drive SW, Olympia, Washington.

NEW SECTION

WAC 480-15-080 How do I file documents with the commission? You may file documents by mailing them to the address listed in WAC 480-15-060, or by hand delivering them to the commission's records management section. Your documents are officially received when date stamped by the commission's records management section. You may file certain documents electronically, as provided in WAC 480-09-120.

NEW SECTION

WAC 480-15-090 May I submit information to the commission confidentially? Yes, you may submit information confidentially under the following conditions:

(1) **Information other than complaints.** The commission will limit access to information that is identified as confidential and is submitted under the provisions of WAC 480-09-015. Copies of this rule are available upon request.

(2) **Complaints and rule violations.** If you fear for your safety when reporting a complaint for rule violation then, at your request, we will keep your name and address confidential. We require that you sign and submit a form specifying that you fear for your safety if your name and address are made public. Please note, however, that it is difficult to investigate complaints

regarding a specific shipment if we are unable to release the name of the shipper, as carrier records are often kept by shipper name and address.

NEW SECTION

WAC 480-15-100 What form of payment does the commission accept? You may pay by money order, check, or certified check payable to the Washington utilities and transportation commission. You may also pay with cash if you make your payment in person. We accept only U.S. funds.

NEW SECTION

WAC 480-15-110 If I change my business address or telephone number, must I notify the commission? Yes, if you change your physical or mailing business address or your business telephone number, you must immediately notify the commission in writing at the addresses listed in WAC 480-15-060.

NEW SECTION

WAC 480-15-120 What rules apply to commission proceedings? The commission's rules governing administrative practices and procedures are in chapter 480-09 WAC. When a rule in this chapter is different than a rule in chapter 480-09 WAC, the rule in this chapter applies to household goods carriers.

Part 1.3 - COMPLIANCE WITH THIS CHAPTER

NEW SECTION

WAC 480-15-130 What is the commission's compliance policy?

(1) In enforcing the law, the commission encourages voluntary compliance with statutes, rules and commission orders, through the following:

(a) A program emphasizing education and technical assistance; and

(b) A compliance program including:

(i) Investigation and informal dispute resolution of customer complaints;

(ii) Investigation of informal and formal company complaints;

(iii) Driver and equipment safety compliance reviews;

(iv) Economic compliance audits (i.e., concerning rates, charges, and billing practices);

(v) Coordinated roadside enforcement; and

(vi) Cooperative agreements with other agencies to enable effective enforcement and appropriate use of resources.

(2) Where necessary to ensure compliance with statutes, rules and commission orders, the commission will pursue:

(a) Administrative actions, including, but not limited to, warnings, sanctions, penalty assessments, suspension or cancellation of permits, and hearings to show cause and classify motor carriers; and

(b) Proceedings in district and superior court.

(3) The commission is authorized to administer and enforce the laws and rules relating to household goods carriers by:

(a) Inspecting equipment, drivers, accounts, books, and documents, including, but not limited to:

(i) Vehicles, drivers, and vehicle and driver records and files;

(ii) Business and financial records;

(iii) Insurance certificates;

(iv) Compliance records;

(v) Billing documents;

(vi) Shipment records; and

(b) Prosecuting violations of statutes, rules and commission orders.

NEW SECTION

WAC 480-15-140 How will the commission enforce this chapter?

The commission authorizes staff to inspect the equipment, accounts, books, papers and documents of household goods carriers and to conduct inspections and investigations on its behalf. The commission will institute appropriate enforcement action against violators based on information collected by its staff. The commission has delegated authority to its staff to place vehicles

and drivers out-of-service if they do not meet minimum safety standards. In addition, the commission has delegated authority to its staff to issue citations or arrest without warrant any person found violating this chapter in the presence of staff.

NEW SECTION

WAC 480-15-150 Why would the commission take administrative action? The commission will take administrative action for violations in a manner that it believes will best assure future compliance by the violating household goods carrier and other household goods carriers. The commission may:

(1) Assess monetary penalties under the provisions in chapter 81.04 RCW as a tool of enforcement and remediation; or

(2) Suspend or cancel the permit of a household goods carrier under circumstances in which the commission believes education and penalties have not been, or will not be, effective to secure compliance; for serious actions including fraud or misrepresentation; and for willful violation of legal requirements.

NEW SECTION

WAC 480-15-160 What sanctions apply to carriers operating without valid permits? (1) **Operating while suspended.** Household goods carriers who continue to operate after their permits have been suspended are subject to:

(a) Misdemeanor or gross misdemeanor citations, for which they must appear in district court; and/or

(b) Monetary penalty assessments or other administrative actions; and/or

(c) Proceedings to cancel their permit.

(2) **Operating after cancellation.** Household goods carriers who continue to operate after their permits have been canceled are subject to:

(a) Misdemeanor or gross misdemeanor citations, for which they must appear in district court; and/or

(b) Enforcement proceedings in superior court.

(3) **Operating with no permit.**

(a) Motor carriers who transport household goods entirely within the state of Washington without first obtaining a permit from the commission to do so are subject to citation if observed or contacted by a representative of the commission, or other law enforcement agency, while transporting household goods over the public roads of the state of Washington.

(b) If we receive information that a motor carrier is transporting household goods without a household goods permit, we may issue a citation and/or contact the motor carrier and provide education and technical assistance concerning the applicable rules and regulations. We will supply the motor carrier with a copy of the applicable laws and rules, as well as forms with which to apply for a permit.

(c) If the motor carrier continues to operate without a permit after the commission provides the motor carrier with an opportunity to apply for a permit and the motor carrier does not do so, the commission may institute an administrative proceeding to classify the motor carrier. If, after the hearing, the commission determines the motor carrier is operating as a household goods carrier without the required permit, the commission will issue a cease and desist order to the party(s) involved in the operations pursuant to RCW 81.04.510.

(d) If the motor carrier continues to operate without a permit after applying for a permit and before the commission has acted in that application, the commission may consider those operations in determining whether the carrier is fit to provide the proposed service.

(e) The commission may institute legal action in the appropriate court if it obtains sufficient information that a motor carrier continues to operate in violation of a commission order.

Part 2 - PERMITS

Part 2.1 - GENERAL PERMIT INFORMATION

NEW SECTION

WAC 480-15-170 What is a household goods permit? A household goods permit is a document issued by the commission describing the transportation services a common carrier is authorized to provide, and the territory the common carrier is authorized to serve. It includes at least the following information:

- (1) The permit number issued by the commission;
- (2) The official name of the permit holder;
- (3) The registered trade or business name(s);
- (4) The address of record;

- (5) The date the permit is issued;
- (6) The operating authority granted by the commission; and
- (7) Any conditions imposed by the commission upon on the permit.

NEW SECTION

WAC 480-15-180 When must I have a household goods permit?

(1) Unless you are operating in the territory described in WAC 480-15-200, you must receive a permit from us before you transport household goods:

- (a) By motor vehicle;
- (b) Over the public highways;
- (c) Between points in Washington state; and
- (d) For compensation.

(2) If you transport household goods without first obtaining a permit you will be subject to the enforcement actions described in WAC 480-15-160(3).

NEW SECTION

WAC 480-15-190 Where may I operate with a household goods permit?

(1) Household goods permits authorize state-wide operations unless:

(a) You elect to limit your service territory to specific counties; or

(b) The commission, by order, limits your service territory.

(2) If you choose to limit your service territory to specific counties, you must notify us in writing at the address shown in WAC 480-15-060. Your written request must include your household goods permit number and name.

NEW SECTION

WAC 480-15-195 When will my existing household goods permit be reissued? If you hold a household goods permit that is valid on the effective date of these rules, it will be recognized as authorizing state-wide operations until a new household goods permit is issued, or until January 31, 1999, whichever occurs first.

(1) If you choose to limit your service territory to specific counties, you must notify us in writing at the address shown in WAC 480-15-060. Your written request must include your household goods permit number and name.

(2) For the purpose of this rule, a valid household goods permit does not include temporary permits, suspended permits, canceled permits, or permits that are held by carriers that have not filed required annual reports, paid regulatory fees, or satisfied penalty assessments, or whose checks have been returned because of insufficient funds or closed bank accounts.

NEW SECTION

WAC 480-15-200 Are there areas I may operate without a permit? Pursuant to RCW 81.80.040(1), you do not need a permit to transport household goods exclusively between points within the limits of a city or town with a population of less than ten thousand, unless the city borders a city or town with a population of greater than ten thousand.

Pursuant to RCW 81.80.040(2), you do not need a permit to transport household goods exclusively between points within a city with a population between ten thousand and thirty thousand, if the commission has issued an order exempting transportation within that city from regulation.

NEW SECTION

WAC 480-15-210 Are there different kinds of household goods permits? We issue household goods permits for emergency temporary, temporary, and permanent authority. We may grant:

(1) Emergency temporary authority for a period of thirty days or less when there is an urgent need for service and time or circumstances do not reasonably allow for filing and processing of an application for temporary authority;

(2) Temporary authority for up to one hundred eighty days to meet a short-term public need or until a decision is made on a pending application for permanent authority. The applicant must be fit, willing, and able, and the proposed service must be in the public interest; and

(3) Permanent authority with no expiration date or renewal requirement when the applicant is fit, willing, and able to provide service, when granting that service is in the public interest, and when the proposed service is needed to meet the current or future public convenience and necessity.

NEW SECTION

WAC 480-15-220 How do I apply for a permit? (1) You may file an application for a permit on forms furnished by the commission. You may file your application in person or by mail. (See WAC 480-15-060 for the commission's address.)

(2) You must include all requested information, attachments, complete signed statements, and fees when you file your application. (See WAC 480-15-230 for the appropriate application fees.) We will not accept your application until all required information is supplied and any outstanding fees or penalties are paid.

(3) We may reject or dismiss your application if you include false, misleading, or incomplete information.

NEW SECTION

WAC 480-15-230 What is the application fee? The maximum application fee, under RCW 81.80.090, is five hundred fifty dollars. After reviewing the actual costs of processing applications, we may set fees at less than the legal maximum. Each application form will clearly state the fee you must submit when filing an application.

The following table lists the application fees in place on the effective date of these rules:

Type of Permit Application:	Fee:
Emergency temporary authority	\$ 50.00
Temporary authority	\$250.00
Permanent authority	\$550.00
Permanent authority (under the exceptions named in WAC 480-15-260)	\$250.00
Permit reinstatement (under provisions of WAC 480-15-460)	\$250.00
Name change only	\$ 35.00

NEW SECTION

WAC 180-15-240 How may a new entrant obtain authority? You must file both a temporary and a permanent authority application if you do not hold an existing permit that allows you to transport household goods within the state of Washington.

The following table describes the application process for new entrants seeking to obtain permanent authority:

If you file an application for:	You must also file an application for:	We will:	We will grant an application when:
PERMANENT authority Refer to WAC 480-15-330	TEMPORARY authority Refer to WAC 480-15-280	Publish you application on an application docket subject to public comment.	The applicant is fit, willing, and able to provide the proposed service; The proposed services is in the public interest; and For applications for permanent authority, the proposed service is required to meet the current or future public convenience and necessity.

NEW SECTION

WAC 480-15-250 What is the process to expand the authority in an existing permit? You must file only a permanent authority application if you want to expand the authority included in your existing household goods permit.

The following table describes the filing process for existing household goods carriers seeking to obtain additional permanent authority:

If you file an application for:	We will:	We will grant an application when:
PERMANENT authority Refer to WAC 480-15-330	Publish your application on an application docket subject to public comment.	The applicant is fit, willing, and able to provide the proposed service; The proposed service is in the public interest; and The proposed service is needed to meet the current or future public convenience and necessity.

NEW SECTION

WAC 480-15-260 Are there exceptions to the application process? We will grant an application for permanent authority without public notice or comment if:

(1) The applicant is fit, willing, and able to provide service; and

(2) The application is filed to transfer or acquire control of permanent authority for the following reasons:

(a) A partnership has dissolved due to the death, bankruptcy, or withdrawal of a partner, and that partner's interest is being transferred to one or more remaining partners or a spouse;

(b) A shareholder in a corporation has died and that shareholder's interest is being transferred to a surviving spouse or one or more surviving shareholders;

(c) A sole proprietor has died and the interest is being transferred as property of the estate;

(d) An individual has incorporated, and the same individual remains the majority shareholder;

(e) An individual has added a partner, but the same individual remains the majority partner;

(f) A corporation has dissolved and the interest is being transferred to the majority shareholder;

(g) A partnership has dissolved and the interest is being transferred to the majority partner;

(h) A partnership has incorporated, and the partners are the majority shareholders; or

(i) Ownership is being transferred from one corporation to another corporation when both are wholly owned by the same shareholders.

Part 2.2 - EMERGENCY TEMPORARY AND TEMPORARY AUTHORITY

NEW SECTION

WAC 480-15-270 When will the commission grant emergency temporary authority? We will grant an application for emergency temporary authority to meet an urgent need when time or circumstances do not reasonably allow for the filing and processing of a temporary permit application. We may grant emergency temporary authority for up to thirty days when a qualified applicant:

(1) Provides a certified statement of support identifying the need;

- (2) Pays the application fee;
- (3) Furnishes a list of vehicles to be used under emergency temporary authority; and
- (4) Furnishes proof of public liability and property damage insurance.

NEW SECTION

WAC 480-15-280 When must I apply for temporary authority?

(1) You must apply for temporary authority if you are a new entrant, or to provide service to meet a short-term need. If you are a new entrant, and the commission grants your application, the temporary authority will allow you to provide service as a household goods carrier on a provisional basis for at least six months. During this time, the commission will evaluate whether you have met the criteria in WAC 480-15-330 to obtain permanent authority.

(2) We will grant or deny an application for temporary authority after we have conducted a complete review of your application, any supporting statements, reports or other information necessary to determine your fitness, and determine whether granting the application is in the public interest.

(3) When determining if an applicant is fit, willing, and able to provide the proposed service we will consider any information provided by the applicant and other members of the public regarding:

(a) The applicant's experience in the industry; knowledge of safety regulations; financial resources and equipment; compliance with tax, labor, employment, business, and vehicle licensing laws and rules; and

(b) Whether the applicant has been cited for violation of state law or commission rules, has been convicted of a Class A or Class B Felony, or has previously been denied authority on the basis of fitness; or has had permit authority canceled.

(4) When determining if the proposed service is in the public interest we will consider any information provided by the applicant, shippers and other members of the public supporting the proposed service, and whether granting the temporary authority will:

(a) Enhance choices available to consumers, promote a viable yet competitive household goods industry, or fill an unmet need for service; and

(b) Allow us to more efficiently regulate the household goods industry, and provide increased consumer protection through regulation.

(5) Statements and reports from the applicant, shippers, and other members of the public, must include their full name, address, phone number, and state that the information submitted is true and

accurate. They must be signed and show the place and date where/when they were signed.

NEW SECTION

WAC 480-15-285 Are there times when the commission will reject my application for temporary authority? We will reject your application for temporary authority if you file within six months of a denial of a previous application submitted by you. We will reject your application if filed within one year of cancellation of a permit, held by you, under WAC 480-15-320 or 480-15-450 (3), (4), (5), or (6).

NEW SECTION

WAC 480-15-290 How will I know what the commission has decided? After reviewing your application, and all supporting statements and reports, the commission will issue an order to you granting or denying your application for temporary authority. An order granting temporary authority may include specific terms and conditions that you must satisfy before you begin or while operating under authority. We publish an application docket listing temporary authority we have granted or denied.

NEW SECTION

WAC 480-15-300 What conditions may be attached to my temporary authority? Based on a review of your application and supporting statements, we may impose any of the following conditions when granting temporary authority:

- (1) Driver and equipment safety training;
- (2) Rates and billing practices training;
- (3) Surety bond, or other means to ensure compliance;
- (4) Special compliance audits;
- (5) Special customer notices and comment forms which evaluate your services;
- (6) Other reporting as the commission may require, such as customer lists, and financial reporting;
- (7) Vehicles must pass inspection and be issued a valid Commercial Vehicle Safety Alliance (CVSA) inspection decal; and

(8) Other conditions depending on the circumstances surrounding the application.

NEW SECTION

WAC 480-15-310 May I comment on a decision to grant or deny temporary authority? (1) We publish an application docket listing temporary authority we have granted or denied. We mail the docket to each applicant and, upon written request, to any other person interested in application proceedings.

(2) Anyone having an interest in an application appearing on the docket may file written comments within ten days following publication. Comments may be in the form of statements supporting or protesting the grant of authority or application. Comments must include your full name, address, telephone number, FAX number, and permit number, if applicable. Comments must state the nature of your support or protest and address the following issues: Fitness, public interest, levels of service, business practices, safety, and/or operation of equipment.

(3) We may grant or deny a protest without a hearing. We may, at our own discretion, hold a brief adjudicative proceeding on a protest. Rules governing applications and procedures for brief adjudicative proceedings are in chapter 480-09 WAC.

NEW SECTION

WAC 480-15-320 May the commission cancel a temporary permit? Yes, we may cancel a temporary permit at any time if we determine that:

- (1) The permit was not issued in the public interest;
- (2) The grant of temporary authority was based on fraud, misrepresentation, or erroneous information from the applicant; or
- (3) We find cause to cancel the permit under the circumstances described in WAC 480-15-450.

Part 2.3 - PERMANENT AUTHORITY

NEW SECTION

WAC 480-15-330 When must I apply for permanent authority?

- (1) You must apply for permanent authority if you are requesting:
 - (a) New original authority;
 - (b) Transfer of existing authority;
 - (c) Acquisition of control of existing authority;
 - (d) Additional authority for an existing household goods permit; or
 - (e) Household goods authority for an existing general commodities permit granted under the provisions of chapter 480-14 WAC.
- (2) We will grant or deny an application for permanent authority after we have conducted a complete review of your application, supporting statements, reports, or other information necessary to determine fitness, public interest, and current or future public convenience and necessity.
- (3) Some transfers of existing permanent authority are not subject to the requirements in this rule. The exceptions are listed in WAC 480-15-260.
- (4) When determining if an applicant is fit, willing and able to provide the proposed service, we will consider statements and reports including any information provided by the applicant and other members of the public regarding:
 - (a) The applicant's experience in the industry; knowledge of safety regulations; financial resources and equipment; compliance with tax, labor, employment, business, and vehicle licensing laws;
 - (b) Whether the applicant has been cited for violation of state law or commission rules, has been convicted of a Class A or Class B Felony, or previously has been denied authority on the basis of fitness; and
 - (c) The results of any compliance reviews, audits, inspection reports, and consumer complaints filed against the applicant.
- (5) When determining if the proposed service is in the public interest we will consider statements and reports, including any information provided by the applicant, and other members of the public supporting the proposed service, and whether granting the permanent authority will:
 - (a) Enhance choices available to consumers, promote a viable yet competitive household goods industry, or fill an unmet need for service; and
 - (b) Allow us to more efficiently regulate the household goods industry, and provide increased consumer protection through regulation.
- (6) When determining if the proposed service is needed to satisfy the current or future public convenience and necessity, we will consider any information provided by the applicant, shippers, and other members of the public supporting the proposed service, and any reports relating to the operations you conducted under temporary authority, including, but not limited to, the following:
 - (a) The number of customers you served;
 - (b) The nature of the service you provided;

- (c) Your customers' satisfaction; and
- (d) Statements regarding future need for your services.

NEW SECTION

WAC 480-15-340 May I comment on an application for permanent authority? (1) We publish applications for permanent authority on the application docket which we mail to each applicant and, upon written request, to any other person interested in application proceedings.

(2) Anyone having an interest in an application appearing on the docket may file written comments within thirty days following publication, unless the application is published in conjunction with a grant of temporary authority. If the permanent authority application is published in conjunction with a grant of temporary authority, then comments will be accepted for one hundred eighty days or the full term of the temporary permits.

(3) Comments may be in the form of statements supporting or protesting the application. Comments must include the commenter's full name, address, telephone number, and should also include a FAX number and permit number, if available. Comments should be signed and indicate the place and date when they were signed. Comments must state the nature of your support or protest and address the following issues: Fitness, public interest, levels of service, business practices, safety, operation of equipment, and current or future public need for service.

(4) A comment protesting an application may not cause the application to be set for a hearing.

NEW SECTION

WAC 480-15-350 Will my application be set for a hearing? We may hold a hearing or brief adjudicative proceeding on any application for permanent authority if it is necessary to resolve outstanding issues or concerns related to fitness, public interest, public convenience and necessity, or any other issue resulting from a compliance review, audit, inspection report, complaint, or public comment. Rules governing hearings and brief adjudicative proceedings are contained in chapter 480-09 WAC.

Part 2.4 - USING YOUR PERMIT

NEW SECTION

WAC 480-15-360 Where must I keep my permit? You must keep your original permit in your main office, and also carry a copy of your permit in each vehicle used to transport household goods. You must show a copy of your permit to any law enforcement or compliance officer who asks to see it.

NEW SECTION

WAC 480-15-370 What should I do if my permit is lost or destroyed? You may write to us and request replacement of a lost or destroyed permit. We will issue a replacement permit at no charge.

NEW SECTION

WAC 480-15-380 May I allow others to use my permit authority? You must not allow others to transport household goods under your permit authority. All operations under a household goods permit must be conducted by the lawful permit holder. While you may not lease your permit authority, you may lease vehicles for use in your own operations pursuant to the leasing rules in WAC 480-15-590 and 480-15-600.

NEW SECTION

WAC 480-15-390 What name may I use? (1) You must conduct operations under the name shown on your household goods permit. If you do business under a trade or assumed name, that name must also appear on your permit.

(2) You may not operate under a name that is similar to that of another carrier unless:

(a) The carrier whose name is similar has given you written

permission to use the name; or

(b) The commission authorizes use of the similar name. Before authorizing use of a similar name, the commission must first determine that the use of the similar name will not:

- (i) Mislead the shipping public; or
- (ii) Result in unfair or destructive competitive practices.

NEW SECTION

WAC 480-15-400 How do I change my permit name? (1) You must file a name change application if you want to change your permit name, corporate name, trade name, or add a trade name to your permit.

(2) Your name change application must include the application fee (as shown in WAC 480-15-230), copies of any corporate minutes authorizing the name change, and proof that you have properly registered your new name with the department of licensing, office of the secretary of state, or other agencies, as may be required.

(3) You must file an application to transfer or acquire control of permanent authority if your name change is the result of a change in ownership or controlling interest.

(4) You may not advertise or operate under the changed name until the commission approves your request.

NEW SECTION

WAC 480-15-410 What should I do if I cannot use my permit?

(1) If you are unable to use your permit due to medical reasons or because you have been called into active military service, you may request that your authority be voluntarily suspended.

(2) You must send your request to us in writing and include the following information:

- (a) Your name, address, and permit number;
 - (b) The reason for the request (e.g., medical statement, military orders);
 - (c) The date you would like the voluntary suspension to begin;
 - (d) The length of time you will be unable to use your permit;
- and

(e) A statement that no household goods transportation will occur under your permit while it is suspended.

(3) We will issue an order suspending your permit. The order will set the length of time and the terms of your permit suspension.

(4) To activate your suspended permit you must send us a

letter advising that you are ready to resume household goods service and agree to conduct operations in compliance with all laws and rules. You must satisfy any outstanding filing requirements before we will issue an order lifting the suspension.

(5) If you do not activate your permit before the suspension period expires, your permit may be canceled.

NEW SECTION

WAC 480-15-420 What should I do if I no longer want to use my permit? If you no longer want to use your permit, you may send the original permit to us with a written request that it be canceled. Your cancellation request must include your name, address, and permit number. We will issue an order canceling your permit. Cancellation will be effective on the date of that order.

Part 2.5 - SUSPENDED AND CANCELED PERMITS

NEW SECTION

WAC 480-15-430 Why would the commission suspend my permit?

(1) The commission may suspend your permit under the provisions of WAC 480-15-410 or for good cause. Good cause includes, but is not limited to:

(a) Failure to maintain evidence of required cargo and/or liability insurance coverage for all areas of your operations;

(b) Failure to maintain your tariff and/or comply with the rates and rules contained in the tariff;

(c) Failure or refusal to comply with operating standards that protect the public health and/or safety;

(d) Allowing others to transport goods under your permit authority. See WAC 480-15-380.

(e) Operating in a manner which harms the rights of the shipping public or which constitutes unfair or deceptive business practices. For example: Investigation by the commission's staff representatives upholds numerous consumer complaints related to loss and damage, packing, loading and/or unloading, estimating or billing.

(2) The commission may suspend a permit without an opportunity for hearing if there is imminent danger to the public health,

safety or welfare, or there is insufficient time to conduct a hearing.

NEW SECTION

WAC 480-15-440 What happens if my permit is suspended for cause? (1) **Notification.** The commission will send you notice of its action to suspend your permit. The suspension is effective upon the service date of the notice.

(2) **Contest of suspension.** You may contest the suspension of your permit by requesting a hearing or brief adjudicative proceeding. The procedures for such hearings are contained in chapter 480-09 WAC.

(3) **Reinstatement of permit.** We will lift the suspension of your permit after you correct all conditions leading to the suspension.

NEW SECTION

WAC 480-15-450 Why would the commission cancel my permit? The commission may cancel your permit under the provisions of WAC 480-15-410, 480-15-420 or for good cause. Good cause includes, but is not limited to:

(1) Failure to file an annual report or pay required regulatory fees;

(2) Failure to correct, within the time frame specified in the suspension order, all conditions that led to the suspension of your permit;

(3) Continued violations of applicable laws and rules affecting the public health, safety or welfare when the commission has reason to believe you would not comply with those laws and rules following a specified period of suspension;

(4) Repeated failure or refusal to comply with applicable laws and rules pertaining to operations of household goods carriers;

(5) Failure to supply information necessary to the commission for the performance of its regulatory functions when requested by the commission to provide such information;

(6) Submission of false, misleading or inaccurate information. The commission will hold a hearing prior to canceling your permit unless your permit is subject to cancellation because you failed, within the time frame specified by a suspension order, to correct the causes of the suspension;

(7) Allowing others to transport goods under your permit authority in violation of WAC 480-15-380.

NEW SECTION

WAC 480-15-460 What happens if my permit is canceled for cause? (1) **Notification.** The commission will send you notice of its action to cancel your permit. The cancellation is effective upon the service date of the notice.

(2) **Contest of cancellation.** You may contest the cancellation of your permit by requesting a hearing or brief adjudicative proceeding. The procedures for such hearings are contained in chapter 480-09 WAC.

(3) **Reinstatement of permit.** If you correct all conditions that led to the cancellation of your permit, you may apply for reinstatement of your permit.

(a) To reinstate your permit within thirty days of cancellation, you must file an application for reinstatement and pay the applicable reinstatement fees.

(b) If you file an application for reinstatement after thirty days of cancellation, your application will be considered in all aspects to be an application for new authority, and will be subject to all terms and conditions specified in WAC 480-15-240 for new entrants.

(4) **Small business, reinstatement of permit.** If you are a small business as defined in WAC 480-15-020, and you correct all conditions that led to the cancellation of your permit, you may apply for reinstatement of your permit.

(a) To reinstate your permit within sixty days of cancellation, you must file an application for reinstatement and pay the applicable reinstatement fees.

(b) If you file an application for reinstatement after sixty days of cancellation, your application will be considered in all aspects to be an application for new authority, and will be subject to all terms and conditions specified in WAC 480-15-240 for new entrants.

**Part 3 - ADMINISTRATIVE, TARIFF, AND RATE REQUIREMENTS TO
TRANSPORT HOUSEHOLD GOODS, FOR HIRE, WITHIN THE STATE OF
WASHINGTON**

Part 3.1 - RULE BOOKS

NEW SECTION

WAC 480-15-470 Rule books. (1) **What is a rule book?** A rule book is a reprint of the complete set of Washington Administrative Code (WAC) rules governing the operations of household goods carriers.

(2) **How do I get a rule book?** You may request a rule book by contacting the commission. The first copy of the rule book is free. However, we may charge a fee for multiple copy requests. We will automatically send a rule book to anyone who applies for a household goods permit.

(3) **How do I get a rule book update?** If changes occur, we will automatically send annual rule book updates to everyone who has a household goods permit. Any person may request a current rule book by contacting us at the address listed in WAC 480-15-060.

(4) **Is the rule book copyrighted?** The rule book is not copyrighted. You may copy or reproduce it without our permission.

Part 3.2 - ANNUAL REPORTS AND REGULATORY FEES

NEW SECTION

WAC 480-15-480 Annual reports and regulatory fees. (1) **What is an annual report?** An annual report is a year end statement that discloses to the commission financial, equipment, operating, and management information about you and the operations you conducted under your household goods permit. Your signed report includes a statement certifying that the information in your report is true and accurate.

(a) You must report your financial information according to the Uniform System of Accounts established by the commission for household goods carriers.

(b) The commission will mail annual report forms and instructions to each household goods permit holder at their address of record. If you do not receive an annual report form, it is your responsibility to contact the commission and request the form.

(2) **What is a regulatory fee?** A regulatory fee is an annual assessment paid by each household goods carrier to cover the costs of regulating the household goods industry. The maximum regulatory

fee is set by law at one-fourth of one percent of the gross operating revenue generated from your intrastate transportation of household goods. We may reduce the fee by general order. Each year we review the costs of regulating the household goods industry and set the next year's fee accordingly.

(3) **How do I calculate my regulatory fee?** Your regulatory fee is calculated as a percentage of your intrastate gross operating revenues generated from the transportation of household goods during the prior calendar year.

For example: Gross Operating Revenue \$100,000.00 x
Regulatory Fee Percentage .0025 =

Regulatory Fee Due \$ 250.00

(4) **When are my annual report and regulatory fees due?** You must file your annual report and pay your regulatory fees by May 1st of the year following the calendar year for which you are reporting.

(a) If you pay your regulatory fee late, we will assess an automatic late fee of two percent of the amount due, plus one percent interest for each month after that.

(b) If you do not file your annual report and/or do not pay your regulatory fee, we may issue penalty assessments or cancel your permit under the provisions of WAC 480-15-450.

Part 3.3 - TARIFF AND RATES

NEW SECTION

WAC 480-15-490 Tariff and rates, general. (1) **What is a tariff?** A tariff is a publication containing the rates and charges that household goods carriers must assess on shipments of household goods, including rules that govern how rates and charges are assessed.

(2) **How are tariff rates and charges established?**

(a) Pursuant to RCW 81.80.130 and 81.80.150, the commission publishes tariffs to be used by all household goods carriers, or allows household goods carriers to file individual tariffs if the commission finds it is impractical to publish tariffs for certain commodities or services. The commission determines the rates and charges contained in the tariffs by commission order following notice and hearing. Under RCW 81.80.130, the commission must set fair, just, reasonable, and sufficient rates and charges. We will

do this by setting minimum and maximum rates.

(b) Upon the effective date of these rules, and continuing until such time as the commission, after notice and hearing, determines a different rate level, household goods carriers may charge no more than fifteen percent above the current tariff rates and charges and no less than thirty-five percent below the current tariff rates and charges contained in the commission's household goods tariff on the effective date of these rules.

(3) **Who must have tariffs?** Each person holding household goods permit authority must purchase and display at least one copy of the current tariff, and pay applicable tariff maintenance fees. Any interested person may purchase a copy by paying the applicable fees in advance.

(4) **Where must I display my tariffs?** You must display a current copy of the tariff in your main office, and in each billing office.

(5) **Who must charge rates contained in the tariff?** All household goods carriers must charge the rates and charges, and comply with the rules contained, in the tariff unless we have approved, in writing, deviations from the tariff.

(6) **Is the tariff the only publication I need to use to determine rates?** We may adopt other publications that will be used to assess rates. If we do, we will notify tariff subscribers of the change.

(7) **Where may the public view tariffs?** Tariffs are public documents and you must make them available for the public by posting copies at your main office and any billing office. Tariffs are also available for review at our headquarters office.

(8) **How much does a tariff cost?** The cost of tariffs may change periodically depending on our costs for compiling, printing, distributing, and maintaining them. To find out the current cost, you may contact the commission as described in WAC 480-15-060.

(9) **Are copies of current or expired tariff pages available?** We will supply you with current or expired single tariff pages upon request. Copies of entire expired tariffs, or entire tariffs applicable on a specific date in the past, generally are not available.

NEW SECTION

WAC 480-15-500 Tariff maintenance and fees. (1) **What is a tariff maintenance fee?** A tariff maintenance fee compensates us for compiling, printing, and distributing amended tariff pages.

(2) **Do I always have to pay full maintenance fees?** The annual maintenance fee is payable in advance on a prorated basis depending upon the month in which you purchase a tariff. See the table below:

Month in which maintenance service is purchased	Percentage of total maintenance fee payable
January, February, March	100%
April, May, June	75%
July, August, September	50%
October, November, December	25%

(3) **How am I billed for my annual tariff maintenance fees?** By December 1 of each year, we send a bill to each tariff subscriber for the next year's annual tariff maintenance service. Tariff subscribers must pay maintenance fees by December 31.

(4) **What happens if a tariff subscriber fails to pay the annual maintenance fees by December 31?**

(a) If a tariff subscriber does not have a permit, and fails to pay the maintenance fee by December 31, we will cancel the tariff subscription. To reinstate a subscription, the tariff subscriber must purchase a new original copy of the tariff and pay all applicable maintenance fees.

(b) If a tariff subscriber has a permit and fails to pay tariff fees by December 31, we may take administrative action against the household goods carrier to suspend or cancel the permit, or to assess penalties.

(5) **Am I entitled to a refund if I cancel my tariff subscription?** If you cancel your tariff subscription and send us a written request we will refund your prepaid tariff maintenance fees. We base refunds on a prorated formula of one-twelfth the amount of the fee prepaid, times the number of whole months remaining in the calendar year.

NEW SECTION

WAC 480-15-510 Changing commission-published tariffs. (1) **Who may propose changes to the tariff?** Companies holding temporary or permanent household goods authority may propose changes to the tariff. We may, on our own motion, propose tariff changes.

(2) **How do I propose changes to the tariff?** All proposed changes must be sent to the commission's mailing address and must:

- (a) Be in writing;
- (b) Identify the rates, rules, or classifications to be changed;
- (c) Fully describe the proposed change;
- (d) State clearly the reason(s) for the proposed change;
- (e) Include any information or documents that justify the proposed change (the person proposing the change must prove the change is just and reasonable); and
- (f) Identify the name, address, title, telephone number,

permit number and FAX number (if any) of the person we should contact regarding the proposal.

(3) **How does the commission consider proposals for tariff changes?** When we receive a proposed tariff change we:

- (a) Assign a docket number;
- (b) Schedule each docketed proposal for tariff change for consideration at one of our regularly scheduled open public meetings. The commission may approve the proposed changes, or suspend them and set them for hearing;
- (c) Notify you and other interested persons of the date when we will consider the tariff change; and
- (d) Process each application for tariff change under the procedures set forth in chapter 480-09 WAC.

(4) **When do approved changes become effective?** Changes we approve are not effective until we publish and distribute a revised tariff page. We will identify the effective date of the change on the revised page.

NEW SECTION

WAC 480-15-520 Procedure for filing individual carrier tariffs. (1) **What must be filed?** You must submit to us:

(a) A cover letter requesting permission from us to publish and file an individual tariff. The letter must describe the reasons you believe permission should be granted. Your letter should state the reasons you believe it is impractical for us to publish a tariff for the commodities or services contained in your proposed tariff.

(b) Two copies of your proposed tariff. Your proposed tariff must comply with the tariff drafting standards in chapter 480-149 WAC (Tariff Circular No. 6). You may request a copy of chapter 480-149 WAC from our records management section. The proposed tariff must contain all rates, charges, and rules you will be using if we grant you permission to publish and file an individual tariff.

(c) Data showing that the rates and charges contained in the proposed tariff are fair, just, reasonable, and sufficient.

(2) **How are individual carrier filed tariffs processed?**

(a) We review individual carrier filed tariffs:

(i) For compliance with laws and rules relating to content and format;

(ii) To ensure rates are fair, just, reasonable, and sufficient; and

(iii) For reasonableness and accuracy.

(b) If tariffs are incomplete or do not comply with laws and rules, staff will discuss the issues with the carrier and require that corrected tariffs be filed.

(c) When an individual carrier filed tariff is approved, the

commission will issue an order stating the date on which the rates become effective. One copy of the tariff marked "approved" will be returned with the order.

(3) **How does the commission consider proposals to amend individual carrier filed tariffs?** When we receive your proposed tariff amendment we will:

(a) Assign a docket number;

(b) Schedule each proposed tariff amendment for consideration at one of our regularly scheduled open public meetings. The commission may approve the proposed amendment, or suspend them and set them for hearing;

(c) Notify you and other interested persons of the date when we will consider the tariff proposed amendment;

(d) Process your proposed tariff amendment under the procedures established in chapter 480-09 WAC; and

(e) Notify you of the disposition of your proposed tariff amendment. If the filing is approved, we will notify you of the date upon which the tariff amendment becomes effective.

(4) **What happens if I don't charge the rates and charges in my tariff?** You are subject to administrative action (see WAC 480-15-130(3)) if you charge rates or charges different from those contained in your tariff.

Part 3.4 - INSURANCE

NEW SECTION

WAC 480-15-530 Public liability and property damage insurance. (1) **What insurance am I required to obtain?** Before operating under a household goods permit, you must have public liability and property damage insurance covering each motor vehicle that you use, or that you will use, to transport household goods in the state of Washington.

(a) Your policy must be written by an insurance company authorized to write insurance in Washington state.

(b) Your policy must include the Uniform Motor Carrier Bodily Injury and Property Damage Liability Endorsement, Form F.

(c) If you operate motor vehicles without the required insurance coverage you will be subject to immediate compliance action as described in WAC 480-15-430.

(2) **What are the minimum insurance limits?** The minimum limits of required public liability and property damage insurance for motor vehicles operated by household goods carriers are as follows:

(a) Motor vehicles with a gross vehicle weight rating of less

than ten thousand pounds must have at least three hundred thousand dollars in combined single limit coverage.

(b) Motor vehicles with a gross vehicle weight rating of ten thousand pounds or more must have at least seven hundred fifty thousand dollars in combined single limit coverage.

(3) **Am I required to file proof of insurance?** Yes, you must file a Uniform Motor Carrier Property Damage and Public Liability Certificate of Insurance (Form E) as a condition of maintaining your household goods permit.

(a) The Form E is a standard motor carrier insurance form recognized by the insurance industry. In most cases your insurance agent must request that the insurance company file the Form E with us.

(b) Your Form E filing must be issued in exactly the same name as your permit.

(c) Your Form E filing must be continuous, until canceled by a Notice of Cancellation (Form K) filed with us no less than thirty days before the cancellation effective date.

(d) You may file a Uniform Motor Carrier Property Damage and Public Liability Surety Bond (Form G) instead of the Form E.

(4) **May I file an insurance binder?** We will accept an insurance certificate or binder for up to sixty days. A certificate or binder may be canceled by filing written notice with us at least ten days before the cancellation effective date. A certificate or binder must be replaced by a Form E within sixty days of filing, or before the expiration date, whichever occurs first.

(a) Certificates or binders must show:

(i) The commission as the named certificate holder;

(ii) Your name, exactly as it appears on your permit or application, as the insured;

(iii) The insurance company name;

(iv) The insurance policy number;

(v) The effective and expiration dates; and

(vi) The insurance limits of coverage.

NEW SECTION

WAC 480-15-540 What happens if my insurance filing is canceled? If your insurance filing is canceled, and a new filing which provides continuous coverage is not filed with us, we may:

(1) Dismiss your application for a permit; and/or

(2) Suspend your permit under the provisions of WAC 480-15-430 and/or 480-15-450.

NEW SECTION

WAC 480-15-550 Cargo insurance. (1) **What are the cargo insurance requirements?** You must have cargo insurance coverage sufficient to protect all household goods that you transport under your permit. If you transport household goods under your permit without the required cargo insurance coverage you will be subject to immediate compliance action as described in WAC 480-15-430.

(2) **What are the minimum cargo insurance limits?** The minimum limits of required cargo insurance are:

(a) Ten thousand dollars for household goods transported in motor vehicles with a gross vehicle weight rating of less than ten thousand pounds.

(b) Twenty thousand dollars for household goods transported in motor vehicles with a gross vehicle weight rating of ten thousand pounds or more.

(3) **Am I required to file proof of cargo insurance?** No, you are not required to file proof of your cargo insurance with us. You must have proof of cargo insurance at your main office available for inspection by commission representatives.

Part 4 - EQUIPMENT AND SAFETY REQUIREMENTS

Part 4.1 - EQUIPMENT

NEW SECTION

WAC 480-15-560 Equipment safety requirements. (1) **What is the commission's equipment safety policy?** All motor vehicles operated under the provisions of this chapter must be at all times:

(a) Maintained in a safe and sanitary condition;

(b) Free of defects likely to result in an accident or breakdown; and

(c) Made available for inspection by commission representatives.

All motor vehicles having safety defects likely to result in an accident or breakdown will be placed out-of-service and taken off the road until such time as all out-of-service defects have been repaired and the motor vehicle is safe to operate.

(2) **How does the commission enforce this policy?** Commission

representatives conduct inspections of motor vehicles and safety operations. These representatives may place out-of-service any motor vehicle having a defect defined in the *North American Uniform Out-Of-Service Criteria*. No motor vehicle which has been placed out-of-service may be operated until all out-of-service defects are repaired and the motor vehicle is safe to operate.

(3) **How must I identify my motor vehicles?** You must display your permit name and number, as registered with the commission, on both the driver and passenger doors of all power units.

(a) All markings on the power unit must be:

(i) Clearly legible;

(ii) No less than three inches high;

(iii) In a color that contrasts with the background color; and

(iv) Permanent. *Exception:* You may use temporary markings on vehicles you are operating under lease.

(b) If you have both intrastate and interstate authority, you must display either your commission permit number, federal permit number, or both, on the power unit.

(4) **What vehicle safety laws and rules must I follow?**

(a) You must comply with:

(i) All state and local motor vehicle safety laws and rules including, but not limited to, those contained in this chapter;

(ii) The following parts of Title 49 of the Code of Federal Regulations (49 CFR), as adopted by reference in this chapter:

(A) 49 CFR Part 390: Safety Regulations, General; except:

(I) The terms "exempt motor carrier," "motor carrier," "motor vehicle," and "private carrier" have the meanings assigned to them in this chapter;

(II) The term "commercial motor vehicle" means any motor vehicle used by a household goods carrier to transport household goods;

(III) Whenever the term "director" is used, it shall mean the commission.

(B) 49 CFR Part 392: Driving of Motor Vehicles;

(C) 49 CFR Part 393: Parts and Accessories Necessary for Safe Operation;

(D) 49 CFR Part 396: Inspection, Repair, and Maintenance; and

(E) 49 CFR Part 397: Transportation of Hazardous Materials; Driving and Parking Rules.

(b) If you fail to comply with these laws and rules, we may issue a citation to you, place your vehicle out-of-service, and/or initiate an administrative proceeding against you. See WAC 480-15-130(3).

(5) **Am I required to equip my motor vehicles with anti-spray devices (mud flaps)?**

(a) Yes, all motor vehicles must be equipped with mud flaps which effectively reduce the spray or splash of water from the road.

(b) Mud flaps must be as wide as the tires on which they are mounted, and must extend from the top of the tires down to at least the center of the axle.

Part 4.2 - DRIVERS' REQUIREMENTS

NEW SECTION

WAC 480-15-570 Driver safety requirements. (1) **What is the commission's policy for driver safety requirements?** No household goods carrier shall employ or allow any driver to operate a motor vehicle who fails to meet minimum criteria related to:

- (a) Driver's licensing;
- (b) Background and character;
- (c) Physical qualifications;
- (d) Hours of service; and
- (e) Controlled substances and alcohol use testing.

(2) **How does the commission enforce those requirements?**

Commission representatives inspect driver and company safety records and documents to determine compliance with these rules. Additionally, the representatives may contact drivers during the course of investigations, inspections, or other routine commission business. The representatives may order out-of-service any driver meeting the conditions defined in the *North American Uniform Out-Of-Service Criteria*. No driver who has been placed out-of-service may operate a commercial motor vehicle until all conditions which caused the driver to be placed out-of-service are corrected.

(3) **With which driver qualification laws and regulations must I comply?**

- (a) You must comply with:
 - (i) All state and local laws and rules governing driver safety, including, but not limited to, the rules in this chapter;
 - (ii) The following parts of Title 49 of the Code of Federal Regulations (49 CFR), as adopted by reference in this chapter:
 - (A) 49 CFR Part 390: Safety Regulations, General; except:
 - (I) The terms "exempt motor carrier," "motor carrier," "motor vehicle," and "private carrier" have the meanings assigned to them in this chapter;
 - (II) The term "commercial motor vehicle" means any motor vehicle used by a household goods carrier to transport household goods;
 - (III) Whenever the term "director" is used, it shall mean the commission.
 - (B) 49 CFR Part 382: Controlled Substance and Alcohol Use and Testing;
 - (C) 49 CFR Part 383: Commercial Driver's License Standards; Requirements and Penalties;
 - (D) 49 CFR Part 391: Qualification of Drivers; and
 - (E) 49 CFR Part 395: Hours of Service of Drivers.

(b) If you, or your driver, fail to comply with any driver safety law or rule, we may issue a citation to you or your driver, place your driver out-of-service, and/or initiate an administrative

proceeding against you. See WAC 480-15-130(3).

(4) **Are there any exceptions?** Yes, the following exceptions apply:

(a) If your operations are exclusively in intrastate commerce, you are not subject to the following provisions:

(i) 49 CFR Part 391.11(b)(1): Minimum age requirements. The minimum age for drivers of motor carriers operating solely intrastate is eighteen years of age rather than the twenty-one years of age required to operate in interstate commerce.

(ii) 49 CFR Part 391.49: Waiver of certain physical defects. This part does not apply if the driver has obtained from the Washington department of licensing a driver's license with endorsements and/or restrictions allowing operation of the motor vehicle they are driving.

(b) If you are a single vehicle owner-operator and your operations are solely intrastate, you are not subject to the following provisions:

- (i) 49 CFR Part 391.21: Application for Employment;
- (ii) 49 CFR Part 391.23: Investigation and Inquiries;
- (iii) 49 CFR Part 391.25: Annual Review of Driving Record;
- (iv) 49 CFR Part 391.27: Record of Violations;
- (v) 49 CFR Part 391.31: Road Test; and
- (vi) 49 CFR Part 391.33: Equivalent of Road Test.

Part 4.3 - Accidents

NEW SECTION

WAC 480-15-580 Accident reporting. (1) **When must I report a vehicle accident to the commission?** You must report to the commission, within twenty-four hours, any accident occurring within the state of Washington which:

(a) Results in bodily injury to any person who as a result of the injury requires immediate medical treatment away from the scene of the accident;

(b) Results in the death of any person;

(c) Results in damage to any motor vehicle which is severe enough to require the motor vehicle to be transported from the scene by a tow truck or other motor vehicle;

(2) **How do I report accidents?** You may report accidents to the commission by providing your name or company name, your permit number; the date, time and location of the accident; and the nature of the accident by:

(a) Telephoning 1-800-562-6150 (if calling from within

Washington) or 360-664-1222 (if calling from outside Washington);
or

(b) Sending a FAX to 360-586-1150.

(3) **What accident records must I keep?** You must retain copies of all written accident reports for the period of one year from the date of the accident. You must keep the copies in your main office, subject to inspection by commission representatives.

Part 4.4 - EQUIPMENT LEASING

NEW SECTION

WAC 480-15-590 What is the procedure for leasing vehicles?

(1) You must receive commission approval before you may operate a leased motor vehicle. To request approval you must submit a completed lease agreement on a form supplied by the commission, or an alternate form as long as it contains substantially the same information as that on the commission form. The form must be:

(a) Completed in its entirety (we will reject and return incomplete forms);

(b) Signed by both parties;

(c) Submitted in duplicate (we will return one approved copy to you);

(d) Clearly marked "master lease" if you intend it to be used as such in lieu of submitting individual leases; and

(e) Submitted through any means identified in WAC 480-15-060.

(2) We may institute administrative action as described in WAC 480-15-130(3) against any household goods carrier who operates leased motor vehicles without first having obtained commission approval.

(3) You are not required to file a lease for approval on an emergency substitution of a disabled vehicle.

NEW SECTION

WAC 480-15-600 What are my responsibilities when entering into a lease? When entering into a lease agreement, it is your responsibility to ensure that:

(1) A copy of the approved lease is carried in all leased motor vehicles;

(2) Copies of all approved leases are kept in your permanent files for at least one year after the lease expires;

(3) You give a copy of the approved lease to the owner of the leased motor vehicle;

(4) You have complete possession, control and use of the motor vehicle during the period of the lease agreement;

(5) You provide insurance on the leased motor vehicle as specified in WAC 480-15-530 and/or 480-15-550;

(6) You properly identify the motor vehicle as specified in WAC 480-15-560(3);

(7) The appropriate tariff rates and charges are billed and collected;

(8) The driver of the leased motor vehicle is on your payroll during the leased period;

(9) You comply with all safety rules;

(10) You and the owner of the leased motor vehicle specify on the lease form who is responsible for all expenses relating to the leased motor vehicles; and

(11) You comply with the terms of the approved lease.

Part 5 - CARRIER'S RESPONSIBILITIES TO SHIPPERS

Part 5.1 - GENERAL RESPONSIBILITIES

NEW SECTION

WAC 480-15-610 What are my responsibilities regarding advertising?

(1) You must include your permit number in any advertising of your household goods moving services. Advertising includes, but is not limited to, reference to your services on your vehicles, equipment, and in telephone books, Internet, contracts, correspondence, cards, signs, posters, newspapers, and documents which show your name and address.

(2) You may only advertise services authorized by your permit.

(3) You may advertise services you provide as an agent of, or connecting carrier to, another household goods carrier if you include the name and permit number of the other household goods carrier in your advertising.

(4) You must not advertise services or rates and charges that conflict with those in the tariff.

(5) If you violate these advertising rules we may assess a penalty of up to five hundred dollars for each violation, or initiate other administrative action. See WAC 480-15-130(3).

NEW SECTION

WAC 480-15-620 What information must I provide to each shipper? (1) You must give each shipper a copy of the commission brochure, *"Your Rights and Responsibilities as a Moving Company Customer"*:

- (a) At the time you issue a written nonbinding estimate;
- (b) At the time you issue a written binding estimate;
- (c) If you issue neither a written estimate or a written nonbinding estimate, prior to loading the shipment; or
- (d) Upon request, by the shipper.

(2) The brochure is available from the commission and contains the text shown below. The commission may choose to: Add information, present information in a different format than shown below, or present information in different formats for various media (printed materials, on-line materials, fact sheets, brochures, etc.).

YOUR RIGHTS AND RESPONSIBILITIES AS A MOVING COMPANY CUSTOMER

Important information: As a shipper of household goods in the state of Washington, the Washington utilities and transportation commission requires that your mover provide you with the following important information. Please take the time necessary to read it thoroughly.

Make sure you know the full name, address and phone number of the mover: Some movers perform the transportation themselves. Others act as agents for other movers who do the actual hauling. In other instances, the transportation is arranged by brokers. You should be sure to obtain the complete and correct name, business address, and telephone number of the mover who is to transport your shipment, and keep that mover informed as to how and where you may be reached at all times until the shipment is delivered.

1. Estimates. Your mover will provide you with a written estimate if you request one. Commission rules require that all estimates must be written -- oral or telephone estimates are not permitted.

A. The accuracy of the estimate you receive depends upon cooperation between you, as the shipper, and the mover. The mover cannot provide an accurate estimate unless you provide the mover with sufficient information upon which to base the estimate. This includes, but is not limited to:

- Accurately describing all articles to be included in the shipment: This requires you to carefully consider what articles, if any, you will pack or transport yourself. Be realistic in this assessment. Many shippers believe they will be able to pack most of their own goods, only to find that when moving day arrives they have been unable to attend to all of the items they were going to pack, sell, give away, or ship themselves.
- Accurately describing any problems the household goods mover may encounter at the pickup point: Are there large pieces of furniture that were moved into your current residence with a hoist, or that had to be disassembled before they could be moved into the residence?
- Accurately describing special services you wish to be performed during your move: For example: Picking up part of the load from another residence or storage facility, or disconnecting appliances.
- Accurately describing conditions at the delivery point: Will delivery involve the use of stairs, elevators, or hoisting goods using special equipment? Are there narrow roads, streets or alleys that will require the mover to transfer the shipment to smaller trucks to accomplish delivery? Are there ordinances or covenants that limit parking to unload or that restrict the hours of the day during which delivery may be done? Is there a narrow driveway that will hamper unloading?

B. Supplemental estimates. The mover must provide to you an additional (supplemental) estimate if there are additional items and services to be performed which were not covered by the original estimate. For example: Services and items you may have intended to take care of yourself but were unable to accomplish. Before the mover performs the additional services, those services must be listed on a supplemental estimate and you must, by signature, accept the supplemental estimate.

C. Types of estimates.

1. Binding estimates of total cost. Binding estimates are provided at the option of the mover. Some movers may not offer binding estimates. When you receive a binding estimate, you cannot be required to pay any more than the amount shown in the binding estimate. *However:* If you request the mover to provide more or different services than those included on the estimate, the mover must provide you with a supplemental estimate. You will then be expected to pay the total of the original binding estimate, plus the amount shown on the supplemental estimate, at the time of delivery.

If you agree to a binding estimate, you are responsible for paying the total charges due. If you are unable to pay at the time the shipment is delivered, the mover may place your shipment in

storage, at your expense, until the charges are paid.

2. Nonbinding estimates of approximate costs. A nonbinding estimate is not a bid or a contract. It is provided by the mover to give you a general idea of the cost of the move, but does not bind the mover to the estimated cost. It does not guarantee that the final cost of your move will be the same amount as the estimate.

You must pay the transportation and other charges computed in accordance with the tariff published by the Washington utilities and transportation commission. However, in no instance will you be required to pay more than:

(a) On hourly-rated shipments:

(i) One hundred twenty-five percent of the amount of the estimate (and any supplemental estimates) for your move; and

(ii) One hundred fifteen percent of the amount of the estimate (and any supplemental estimates) for accessorial services provided during your move.

(b) On distance-rated shipments: One hundred fifteen percent of the amount of the estimate (and any supplemental estimates) for your move.

If the charges at the destination exceed the amount of the original estimate plus any supplemental estimate, the mover must, at your request, deliver the shipment to you upon payment of one hundred ten percent of the estimate. The mover will defer payment of the balance of the amount due for thirty days.

3. Paying for your move.

Most carriers insist that you pay in cash, by money order, or by certified check. However, you may arrange in advance for the carrier to extend you credit. If the carrier will accept payment by credit card or personal check, be sure this arrangement is noted on the agreement. If a carrier accepts credit arrangements at the beginning of your move, the carrier must accept the same credit arrangements for the final bill.

4. Tariffs. The tariff is published by the commission. It contains rates, charges, and rules governing the transportation of household goods. The tariff is available for public inspection at the mover's office. The tariff includes special provisions governing shipments to be picked up or delivered at more than one place, overtime charges, packing and marking, furnishing of boxes, and carrying goods up and down steps.

5. Preparing articles for shipment. Some articles, such as large appliances and stereo sets, may require special servicing to prepare them for being moved, such as disconnection. If the mover provides these services there may be an extra charge. If you wish to avoid extra per-hour charges, you should consider taking down drapes, blinds, mirrors, and any other articles attached to the walls.

Movers are not responsible for articles of extraordinary value.

You should never pack the following items with your other belongings:

- jewelry
- valuable papers
- coins
- money
- valuable collections
- inflammables
- dangerous articles

6. Valuation protection for loss and damage. All movers are required to assume liability for the value of the goods which they transport. However, there are different levels of valuation protection, and consumers should be aware of the amount of protection provided and the charges for each option.

The dollar amount of responsibility your mover assumes for loss or damage to your household articles is up to you. You choose the dollar amount. What the mover is or is not responsible for is printed on the mover's standard bill of lading. Ask your mover for a sample bill of lading and read it before you move.

Most movers offer four different levels of liability. Generally, your choices are:

Option 1: Basic value protection.

This is the most economical protection option available. This option provides minimal protection at no additional cost, but may be inadequate in case of a major or total loss (as in the case of the moving truck being involved in an accident). Under this option, the mover assumes liability for only sixty cents per pound per article. Loss or damage claims are settled based on the pound weight of the article multiplied by sixty cents. For example: If a ten-pound stereo, valued at one thousand dollars were lost or destroyed, the mover would be liable for six dollars. You should think carefully before selecting this level of protection. There is no charge for this minimal protection, but you must sign a specific statement on the bill of lading agreeing to it.

Option 2: Depreciated value protection.

Under this option, the valuation of your shipment is based on the total weight of the shipment times two dollars per pound. For example, a four thousand-pound shipment would have a maximum liability of eight thousand dollars. Any loss or damage claim under this option is settled based on the depreciated value of the lost or damaged item(s) up to the maximum liability value based on the weight of the entire shipment. Under this option, if you shipped a ten-pound stereo that originally cost one thousand dollars, the mover would be liable for up to one thousand dollars, based on the depreciated value of the item. There is a charge for this type of protection.

Option 3: Replacement cost coverage, with a deductible, and

Option 4: Replacement cost coverage, with no deductible.

Coverage under these plans is also referred to as "full value protection" or "full replacement value." If you choose to purchase full value protection, articles that are lost, damaged or destroyed will either be repaired, replaced with like items, or a cash settlement will be made for the current market replacement value regardless of the age of the lost or damaged item. Unlike the other options, depreciation of the lost or damaged item is not a factor in determining replacement value. The prices for these types of coverage are set in the tariff and are based on a charge per one hundred dollars of declared value. Declared value is the amount which you, the shipper, state in writing on the bill of lading. It must be equal to or exceed the figure determined by multiplying the weight of your shipment times three dollars and fifty cents. For example: If your shipment weighs five thousand pounds, the minimum declared value upon which you will be required to pay valuation charges must be at least seventeen thousand five hundred dollars.

Normally, replacement cost protection will not apply to antiques, fine art, paintings, statuary or other similar articles which, by their inherent nature, cannot be replaced with new articles. Shippers should arrange for third party insurance on these items.

Replacement cost protection does not normally cover memorabilia, souvenirs and collector's items, or other articles when the age of the item or its history contribute substantially to the value of the article. The valuation for these articles reverts to the depreciated or fair market value basis.

7. Weights. For distance-rated moves, the transportation charge you will be assessed depends on the weight of the goods you ship. To determine the net weight of your shipment, the mover weighs the empty vehicle then reweighs it after loading your goods into the truck. If you request it, the mover will:

- Notify you of the weight and charges as soon as the net weight of your shipment is established.
- Reweigh the shipment before delivery, if it is practical to do so. You are responsible for the cost of reweighing the shipment. The charges that apply in the tariff.

8. Expedited service. Movers must offer reasonable dispatch, but do not have to make delivery at any definite time. However, at your request, a shipment will be delivered on or before the date specified. You may have to pay an extra charge for delivery by a specified date.

9. Small shipments. The minimum weight for shipments in distance moves is five hundred pounds. If your shipment weighs less than five hundred pounds, you should consider using other means of transportation (a freight carrier, small package carrier, etc.) even if you have to pay for crating and packing. Movers frequently find it difficult to deliver small shipments in a reasonable time.

10. Temporary storage. You may ask the mover to place your goods in temporary storage for a period not to exceed one hundred eighty days. You will be charged an additional amount for this service. If you do not remove the shipment from temporary storage within one hundred eighty days, then the shipment will revert to permanent storage and the mover ceases to have responsibility as a mover. The mover's responsibility becomes that of a warehouseman and the commission has no further jurisdiction over the shipment.

11. Bill of lading contract. The bill of lading is a receipt for goods, and is also a contract between you and the mover. You should obtain a copy of this document before your shipment leaves the point of origin. It is your responsibility to read the bill of lading and understand it. If you do not understand something on the bill of lading, ask the mover to explain it to your satisfaction. You should sign the bill of lading before transportation begins, and sign it again as a receipt upon delivery of the goods at your destination.

The bill of lading is an important document: Do not lose or misplace your copy. Have it available until your shipment is delivered, all charges are paid, and all claims are settled.

12. Payment of charges - freight bill. Movers do not ordinarily deliver or relinquish possession of property until all tariff rates and charges have been paid in cash, by certified check, or by traveler's check. Some movers may accept bank cards or personal checks. You should clarify with the individual mover what forms of payment are acceptable, and be prepared to pay payment for the move when the shipment is delivered.

13. Bills of lading on long distance moves. Because long distance moves are charged on the basis of weight and distance, your receipt for the charges should show:

- The gross (loaded) and tare (empty) weights of the vehicle;
- The net weight of your shipment (loaded weight minus empty weight);
- The mileage;
- The rate per one hundred pounds for the transportation;
- The cost for valuation protection; and
- Rates or charges for any accessorial services.

14. Bills of lading on local moves. Because local moves are charged on an hourly basis, the receipt should show:

- The time the vehicle left the mover's place of business, and the time of return to that place of business;
- The rate per hour;
- The cost for valuation protection; and

- Rates or charges for any accessorial services.

15. Loss and damage. In the event of loss or damage to your shipment, ask the driver to acknowledge the facts on the bill of lading. If the driver refuses, you should have a disinterested party inspect the damage in the driver's presence, and report it in writing to the mover.

16. Loss or damage claims. All claims for loss or damage must be filed with the mover in writing. Ask the mover for a claim form.

Claims must be filed within nine months from date of delivery. It is preferable to do so as soon as possible -- while memories are fresh. While the commission can sometimes act informally to facilitate negotiation between parties, we cannot require you or the mover to settle claims for loss and damage. If the mover will not voluntarily settle a claim to your satisfaction, the recourses available to you are:

- Submitting the claim to arbitration or mediation through a third party (including services provided by a local government agency); or
- Filing suit in a court of law (depending upon the amount contested, you may be able to use small claims courts).

17. Complaints, other than loss and damage claims. If you have a complaint about your household goods move, you must first contact your mover and attempt to resolve the dispute. If you are unable to resolve the dispute with the mover, then you may file an informal complaint with the commission.

An **informal complaint** is an unresolved dispute between the shipper and the mover, brought to the attention of the commission staff by the shipper. The shipper is generally requesting assistance in resolving the complaint.

The complaint is handled informally by commission staff working directly with the carrier in an attempt to resolve the complaint without the need for a formal hearing process or legal arbitration. The conclusion (finding) of the informal complaint is not binding on the company or the shipper, but is included in a permanent file subject to public review.

You may file an informal complaint with the commission: In writing, in person, by telephone, by e-mail or by FAX. We do have forms available with which you may file an informal complaint, and will provide them to you upon request. No matter which method you choose to file, you must include at least the following information:

- Your name, current address and telephone number;
- The date of your move;
- The bill of lading number for your move;

- The name and address of the company who performed the move;
- The origin and destination cities of the move;
- The details of your dispute; and
- The resolution you seek.

It is also helpful to us in resolving your dispute if you attach a copy of the bill of lading and/or other documents related to the dispute.

You may file a **formal complaint** with the commission at any time. A formal complaint is a quasi-judicial proceeding, much like going to court. A formal complaint must state a situation in which the moving company is in violation or claimed to be in violation of a provision of law, order, or rule of the commission, or the provisions of the company's approved tariff. You are responsible for proving the violation occurred.

Part 5.2 - ESTIMATES

NEW SECTION

WAC 480-15-630 Estimates. An **estimate** is a written approximation of the probable cost of a move prepared in compliance with the provisions of the household goods tariff. Estimates are based on factors such as the van space required, the weight of the household goods, the amount of time needed to complete the move, and the type of special services provided. You may provide your customer with either of **two** basic types of estimates:

(1) A **nonbinding estimate** which is based on an inventory of the customer's goods and provides the customer with a pricing guideline. There is no contractual commitment to this estimate, and the final charges the customer must pay could be higher or lower than the estimated cost, depending on the actual weight of the shipment, the total time consumed, or physical location at the origin and destination, or other conditions of the move; or

(2) A **binding estimate** which allows the customer to know in advance what the move will cost, regardless of differences in the actual weight or time to complete the move.

(a) The basis (such as inventory sheets, tally sheets, special instructions, etc.) used to provide a binding estimate must be attached to the bill of lading.

(b) Any change to the move, by the customer, that results in an increase in cost must be documented on a supplemental estimate

form which also must be attached to the bill of lading.

NEW SECTION

WAC 480-15-640 Verbal estimates. (1) **May I give verbal estimates to prospective shippers?** Verbal estimates are not allowed. Household goods carriers must provide all estimates to prospective shippers in writing.

(2) **What if the shipper requests a verbal estimate?** You must tell the shipper that verbal estimates are prohibited. However, you may inform the shipper of the applicable legal rates. For example, you may say:

(a) The hourly rate for a van and one person is (state the dollar amount you charge within the tariff range); or

(b) The rate per one hundred pounds from (origin) to (destination) is (state the dollar amount you charge within the tariff range).

NEW SECTION

WAC 480-15-650 Form of estimates. (1) **When must I provide a written estimate?** If a shipper requests an estimate, you must provide a written estimate only after you, or your representative, have visually inspected the goods to be shipped.

(2) **What must I include on a written estimate?** Your written estimate must include the following information:

(a) The name, address and telephone number of the household goods carrier who will perform the service;

(b) The name, company affiliation, title and telephone number of the person preparing the estimate;

(c) The name of the shipper and the receiver of the goods;

(d) The complete physical address of the origin, destination and any intermediate stops of the proposed movement;

(e) The total mileage between the origin and destination, including any intermediate stops;

(f) The applicable rates;

(g) A list of the articles upon which the estimate is based (inventory);

(h) The estimated cubic footage for each article;

(i) The estimated total weight of the shipment, based upon a formula of not less than seven pounds per cubic foot (example: A box one foot by one foot by one foot = seven pounds);

(j) An itemized statement of all known accessorial services to be performed, articles supplied, and their charges;

(k) An estimate of the total charges, including transportation and accessorial charges;

(l) A printed statement on the first page of a nonbinding estimate, in contrasting lettering, and not less than eight-point bold or full-faced type, as follows:

IMPORTANT NOTICE

This nonbinding estimate covers only the articles and services listed. It is not a warranty or representation that the actual charges will not exceed the amount of the estimate. If you request additional services to complete the move or add articles to the inventory attached to this estimate, the household goods mover must prepare a supplemental estimate which will change the amount of the original estimate.

Household goods carriers are required by law to collect transportation and other incidental charges computed on the basis of rates shown in their lawfully published tariffs, except as provided below:

(1) A household goods carrier may not charge more than twenty-five percent more than its written nonbinding estimate for time charges for a local hourly rated move nor can the household goods carrier charge more than fifteen percent more than the written nonbinding estimate for accessorial and other services not related to time, unless the household goods carrier prepares and the shipper signs a supplemental estimate.

(2) A household goods carrier may not charge more than fifteen percent above your written nonbinding estimate for a long-distance-rated move, unless the household goods carrier prepares and the shipper signs a supplemental estimate.

(3) **Am I required to have the shipper sign the estimate?** Yes, shippers must sign the written estimate.

(4) **How long must I keep written estimates?** You must keep written estimates in your files for at least two years, including estimates you provided but for which you did not perform any services.

(5) **What if I am unable to provide a written estimate?** If a customer requests a written estimate and you refuse to provide one, you may not conduct that move by agreeing to meet or beat another company's estimate.

NEW SECTION

WAC 480-15-660 Supplemental estimates. (1) **When must I prepare a written supplemental estimate?** You must provide a written supplemental estimate if you have given the shipper a

written estimate and the circumstances surrounding the move change in any way to cause the estimated charges to increase.

(2) **Must the shipper sign the supplemental estimate?** Yes, the shipper must sign the supplemental estimate or the additional work cannot be performed.

NEW SECTION

WAC 480-15-670 Exceptions for nonbinding estimates. (1) **What must I do if the actual charges exceed the estimated charges?** If the actual charges exceed the estimated charges, you must:

(a) Inform the shipper of this rule as soon as possible; and
(b) Release the shipment when the shipper pays you one hundred ten percent of the estimated charges.

(2) **How long must I allow the shipper to pay the remaining balance?** If the actual charges exceed the estimated charges and the shipper has paid you one hundred ten percent of the estimated charges, you must allow the shipper at least thirty days to pay the remaining balance. Credit and payment schedules for shipments delivered into storage are in the commission tariff.

Part 5.3 - UNDERESTIMATES

NEW SECTION

WAC 480-15-680 Am I required to provide an accurate estimate? It is your responsibility to issue an accurate estimate to the shipper. Shippers must be able to base their moving decisions on accurate information. This cannot occur unless you provide an accurate estimate.

NEW SECTION

WAC 480-15-690 What will happen if I underestimate a household goods move? (1) You may not charge more than twenty-five percent above your written nonbinding estimate for time charges for

a local hourly rated move nor can you charge more than fifteen percent above your written nonbinding estimate for accessorial and other services not related to time, unless the shipper signs a supplemental estimate.

(2) You may not charge more than fifteen percent above your written nonbinding estimate for a long distance-rated move, unless you obtain a shipper signed supplemental estimate.

(3) We may take administrative action against household goods carriers who fail to provide accurate estimates. Administrative actions may include, but are not limited to:

(a) Assessing penalties of up to one thousand dollars, per incident, under RCW 81.80.132;

(b) Suspending your permit;

(c) Initiating a proceeding to cancel your permit;

(d) Denying permanent authority if you are operating under temporary authority; or

(e) Limiting collection of excess charges.

NEW SECTION

WAC 480-15-700 What are the commission's guidelines in deciding to assess monetary penalties for underestimating? The commission may assess monetary penalties against you for underestimating a move when:

(1) On long distance-rated moves, the actual total charges exceed the estimated and supplemental estimated charges by fifteen percent;

(2) On local (hourly) rated moves:

(a) The actual time charges exceed the estimated and supplemental estimated time charges by twenty-five percent; or

(b) The actual charges for accessorial and other services not related to time charges exceed the estimated charges for those services by fifteen percent.

Part 5.4 - BILLS OF LADING

NEW SECTION

WAC 480-15-710 What is a bill of lading? A bill of lading is a shipping document issued by the household goods carrier, signed by both the shipper and the household goods carrier, that establishes the legal contract terms and conditions for a shipment of household goods.

NEW SECTION

WAC 480-15-720 Who must issue bills of lading? You must issue a bill of lading for each shipment of household goods you transport.

NEW SECTION

WAC 480-15-730 What is the format for bills of lading? You must use the bill of lading format shown in our published tariff.

NEW SECTION

WAC 480-15-740 What information must I include on a bill of lading? You must list on the bill of lading all information necessary to determine tariff rates and charges. Any element that you use in determining transportation charges must be clearly shown on the bill of lading. This information includes, but is not limited to:

- (1) The date the shipment was packed, loaded, transported, delivered, unloaded and unpacked;
- (2) The number and size of each type of carton, crate, or container used in packing the shipper's goods;
- (3) The exact address at which the shipment, or any part of that shipment, was loaded or unloaded;
- (4) The nature of any special services performed on behalf of the shipper;
- (5) The name, address, and total charges of any third party services incurred on behalf of the shipper;
- (6) Any special circumstances that entered into the determination of transportation charges (for example: Detours or road conditions that required you to take a circuitous route, thus

incurring additional mileage charges);

(7) The start time, stop time, and any interruptions for each person involved in or on a shipment rated under hourly rates;

(8) On any shipments where the shipper did not receive a written estimate, you must make a notation on the bill of lading that the shipper was given a copy of the brochure "Your Rights and Responsibilities as a Moving Company Customer." The shipper must initial on or near your notation on the bill of lading, acknowledging receipt of the information.

Part 5.5 - SHIPMENT WEIGHTS

NEW SECTION

WAC 480-15-750 How do I verify the weight of distance-rated shipments of household goods? (1) You must obtain all tare and loaded weights by having your motor vehicles weighed by a certified weighmaster or on a certified scale;

(2) You must obtain a certified tare weight prior to loading the shipper's goods;

(3) You must obtain a certified loaded weight at the point of origin, or:

(a) If no certified scale is available at the point of origin, you may obtain the loaded weight at the first certified scale located along the route of travel to the destination point; or

(b) If no certified scale is available at the point of origin, at a point along the route to the destination, or at the destination point, you may use the constructive weight of the shipment;

(4) You must obtain a weight or scale ticket from the weighmaster or scale for the tare and loaded weights, and you must maintain a copy of those tickets with the bill of lading for the shipment. The weight ticket must include substantially the same information shown below:

Household Goods Uniform Weight Ticket

Date: _____

Name of carrier: _____

Vehicle identification: _____

Name of shipper: _____

Origin of shipment: _____

Destination of shipment: _____

LOADED WEIGHT of vehicle without the crew _____ #

TARE WEIGHT of vehicle (without the crew on
board, including
full fuel tank and all
necessary pads,
chains, hand trucks,
and other
equipment) _____ #

NET WEIGHT of shipment _____ #

The above loaded weight was obtained at

Name of scales: _____
Location of scales: _____

The above tare weight was obtained at

Name of scales: _____
Location of scales: _____

As shown by attached weight ticket(s) prepared by
weighmaster(s). List of shipments, if any, on vehicle at time
above weights were obtained:

Shipper: _____ Net weight _____
Shipper: _____ Net weight _____
Shipper: _____ Net weight _____

I certify the above entries are true and correct:

(Driver's signature)

NEW SECTION

WAC 480-15-760 What are my responsibilities to notify the shipper of the actual weight and charges for the shipment? If the shipper requests notice of the actual weight and charges of the shipment following pick-up, you must notify the shipper by whatever means you and the shipper agree upon, immediately after weighing the shipment. You are responsible for the cost of notifying the shipper.

NEW SECTION

WAC 480-15-770 Must I reweigh the shipment at the point of delivery if the shipper requests it? Yes, upon shipper request, you must reweigh the shipment at the point of delivery. The shipper is responsible for the cost of reweighing the shipment. Prior to reweighing the shipment, you must notify the shipper of the cost of reweighing.

Part 5.6 - REFUSAL OF SERVICE

NEW SECTION

WAC 480-15-780 When may I refuse to provide service to a shipper? You may refuse to provide service to a shipper if:

(1) The move will cause you to travel outside of the service territory listed on your permit;

(2) Service to a shipper will adversely affect service to other shippers, subject to review by the commission;

(3) The shipper fails to provide accurate and verifiable information necessary to establish the shipper's identity;

(4) The shipper uses an alias or false name with intent to deceive;

(5) The service is hazardous, or where, because of the condition of the streets, alleys or roads, it is impracticable or dangerous to persons or property to operate a motor vehicle;

(6) When driving onto private property, in your judgment, driveways or roads are improperly constructed or maintained, or without adequate space to turn around, or have other unsafe conditions;

(7) Satisfactory service cannot be given, or providing service would adversely affect the health or safety of your employees.

NEW SECTION

WAC 480-15-790 When must I not refuse service? You must not refuse service due to discrimination on the basis of race, creed, color, national origin, sex, marital status, sexual orientation, age, or the presence of any sensory, mental or physical handicap.

NEW SECTION

WAC 480-15-795 Payment options. You may accept payment for a move by cash, money order, or certified check. You may also extend credit to your customer, at your option, by accepting a personal check or credit card. However, if you agree to accept credit terms at the beginning of the move, you must accept the same credit terms for payment of any monies due to you during any part of the move and at the end of the move for the final payment.

Part 5.7 - COMPLAINT AND CLAIM PROCEDURES

NEW SECTION

WAC 480-15-800 What must I do if a shipper is not satisfied with my service? If a shipper is not satisfied with your service, you must allow the shipper to speak with you, or a representative of your company, and you must provide the shipper with all information and forms necessary to file a complaint or claim. The shipper has nine months to file a claim for loss and damage. The shipper must pay all proper charges for the move prior to filing a claim for loss or damage.

NEW SECTION

WAC 480-15-810 What must I do when I receive a complaint or claim? If your shipper files a complaint or claim concerning loss or damage, or your general service operations, or rates and charges, you must:

- (1) Notify the customer, in writing, within ten working days that you have received the claim or complaint;
- (2) Investigate the claim or complaint quickly;
- (3) Advise the shipper of your resolution; and
- (4) If it is a loss or damage claim, pay the claim, refuse the claim, or make a compromise offer within one hundred twenty days.

NEW SECTION

WAC 480-15-820 What must I do if I cannot resolve a claim within one hundred twenty days? If you cannot resolve a loss or damage claim with your shipper within one hundred twenty days, you must, for each sixty-day period until the claim is settled, inform your shipper, in writing, of the reason for your failure to resolve the claim or clearly state your final offer or denial and close the claim.

NEW SECTION

WAC 480-15-830 How long must I keep complaint and claim records? (1) You must keep all papers relating to claim records for loss or damage, concealed or otherwise, for six years.

(2) You must keep all records of complaints in your office for not less than three years after the date of the shipment, or date of resolution, whichever is later.

NEW SECTION

WAC 480-15-840 Are complaint or claim records subject to commission review and in what order must I keep the records? Yes, complaint or claim records are subject to commission review. You must number all complaints and claims consecutively and maintain a complaints and claims register.

NEW SECTION

WAC 480-15-850 What additional requirements exist if a claim involves more than one carrier? If more than one household goods carrier is involved in a damage claim, each household goods carrier must keep all paperwork relating to the claim, and each must show the percentage and amount of the total claim paid by each.

NEW SECTION

WAC 480-15-860 What information must be included in the claim or complaint record? You must include, at a minimum, the following information in a claim or complaint record:

- (1) The date the claim or complaint was received;
- (2) The name, address and telephone number of the shipper;
- (3) Detailed information about the dispute;
- (4) Details of any action you have taken in response to the claim or complaint; and
- (5) The date the claim or complaint was resolved and a description of the final disposition.

NEW SECTION

WAC 480-15-870 What must I do if, after review, the shipper is still dissatisfied with the resolution of the complaint or claim? If you are unable to satisfy the shipper's dispute, you must advise the shipper of the availability of the commission for further review. You must provide the shipper with the commission's toll-free number and mailing address: 1-800-562-6150; P.O. Box 47250, Olympia, Washington 98504-7250.

NEW SECTION

WAC 480-15-880 Must I respond to all written correspondence, complaints and claims? You must acknowledge and consider all written correspondence, complaints and claims.

NEW SECTION

WAC 480-15-890 What must I do if the commission refers a complaint to me? You must:

- (1) Respond with complete investigation results within five business days. However, small businesses, as defined in WAC 480-15-020, must respond within ten business days. In addition, any person may request and commission staff may grant, if warranted, an extension of time for a specific number of days;
- (2) Respond to commission staff inquiries regarding the complaint; and

(3) Keep the commission currently informed of any progress made in resolving the complaint.

Part 6 - INTERSTATE OPERATIONS

NEW SECTION

WAC 480-15-900 General requirements for interstate operations. (1) **General requirements:** No household goods carrier may operate any motor vehicle or combination of motor vehicles over the public highways of this state in interstate commerce unless the household goods carrier has:

(a) Obtained the appropriate operating authority from the U.S. Department of Transportation (USDOT) or its successor agency, if operating as a registered carrier;

(b) Obtained valid insurance as required by USDOT;

(c) (i) Registered with a base state as required by 49 C.F.R. part 1023, if operating as a registered carrier; or

(ii) Registered with the commission if operating as a registered exempt carrier; and

(d) Paid the annual Washington state registration fee for the vehicle.

(2) **Applicable laws and rules:**

(a) When conducting interstate operations, registered and registered exempt carriers and the motor vehicles they operate must comply with the laws and rules that apply to interstate operations.

(b) When conducting Washington intrastate operations, registered and registered exempt carriers and the motor vehicles they operate must comply with the laws and rules that apply to intrastate operations.

NEW SECTION

WAC 480-15-910 How do I register as a registered carrier?

(1) Washington participates in the base state insurance registration program established in 49 USC § 11506 and 49 CFR part 1023. To register as a registered carrier in interstate commerce within the state of Washington, you must register with a base state, pay the appropriate fee for any motor vehicles operated within Washington state, and show proof of insurance.

(2) **Motor carriers based outside of Washington state.** Any motor carrier whose base state, as defined in federal regulation, is a state other than the state of Washington must register with that state and carry a legible receipt in each motor vehicle operated within the state of Washington showing base state registration, payment of the appropriate per vehicle fee, and proof of insurance.

(3) **Washington-based motor carriers.** Any motor carrier whose base state, as defined in federal regulation, is Washington state must register for interstate operations as follows:

(a) Between August 1 and November 30 of each year, each Washington-based interstate motor carrier must apply to the commission to register for the following year, on forms provided by the commission.

(b) The registering motor carrier must state the number of motor vehicles to be operated in each participating state, provide other required information, such as proof of insurance, and submit the registration fee established by that state for each motor vehicle.

(c) Within thirty days after receiving the registration fee and application, the commission will provide to the carrier a receipt or receipts showing, at a minimum, the carrier's name and address, its USDOT permit number, and the names of the states for which it is registered.

(d) The motor carrier must place a receipt or an authorized copy in each motor vehicle for which it has paid the required fee.

(e) Any Washington-based motor carrier that begins interstate operations in a state for which it has not registered may register for that state at any time, stating the number of motor vehicles to be operated in each state and submitting the required information and registration fee for each motor vehicle. The commission will provide a new receipt, if the motor carrier has not previously registered, or supplemental receipt, if it has registered, showing the states for which the motor carrier has registered.

NEW SECTION

WAC 480-15-920 How do I register as a registered exempt carrier?

(1) If you are operating under the exemptions of the Federal Motor Carrier Act, with no authority issued by the USDOT or its successor agency, you may not operate over the public highways of the state of Washington unless you register with the commission between August 1 and November 30 of each year, or at any time after November 30 when you begin interstate exempt operations, or when you will operate additional motor vehicles within the state.

(2) To register with the commission as a registered exempt carrier, you must:

(a) Complete a registration application on a form provided by

the commission;

(b) Identify the number of motor vehicles you will operate within the state;

(c) Pay the registration fee for each motor vehicle; and

(d) Provide proof of insurance.

NEW SECTION

WAC 480-15-930 Registration fee and receipts. (1)

Registration fee. The annual registration fee for registered and registered exempt carriers in Washington state is ten dollars for each motor vehicle operated in interstate commerce over the public highways of the state.

(2) Registration receipts.

(a) A legible receipt showing registration with a base state or the commission as a registered or registered exempt carrier must be present in each motor vehicle and the receipt is subject to inspection at all times by law enforcement agents and commission representatives. No person or firm may use a registration receipt issued by the commission other than the registered or registered exempt carrier to whom it was issued.

(b) All receipts issued for a calendar year expire on December 31 of that year.

NEW SECTION

WAC 480-15-940 Insurance requirements for interstate operations. Registered and registered exempt carriers conducting interstate operations must provide evidence of insurance in the amount prescribed by the USDOT or its successor agency written by a company authorized to write insurance in any state.



Kippi Walker

09/28/98 03:01 PM

To: Rulemakings : Administration, Rulemakings: Transportation, Kim Dobyms/WUTC@WUTC, Teresa Osinski/WUTC@WUTC, Carolyn Caruso/WUTC@WUTC, Ray Gardner/WUTC@WUTC, Foster Hernandez/WUTC@WUTC, Sally Turnbull/WUTC@WUTC, Alan Dickson/WUTC@WUTC, Linda Elhardt/WUTC@WUTC

cc:

Subject: TV-971477 CR-102 Rulemaking Served

Posted to the On-Line Library in Docket No. TV-971477 (Household Goods Rulemaking) is a "Notice of Opportunity to submit Written Comments on Proposed Rule (October 30, 1998)", Proposed Rulemaking (CR-102), Small Business Economic Impact Statement, and rule text.

The Notice, CR-102 and all the attachments can be accessed by clicking here - 

It was served on September 25, 1998, and was filed at the Code Reviser's Office on September 16, 1998 at 10:31 a.m., WSR #98-19-060.

Please contact me if you have any questions.

