



Fleetwood Enterprises, Inc.
3125 Myers Street, P.O. Box 7638
Riverside, California 92513-7638
(909) 351-3500

FILED³

JUL 02 2003

Missouri Public
Service Commission

Gary M. Pritchard

Writer's Direct Dial : 909/351-3339
Writer's Direct Fax : 909/977-2088
Writer's Email: gary.pritchard@fleetwood.com

June 27, 2003

Secretary Dale Hardy Roberts
Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Re: **STATEMENT IN OPPOSITION**
PROPOSED RULE--- 4 CSR 240-120.085 Inspection Fee

Dear Mr. Roberts:

MX-2003-0187

I am Assistant General Counsel for Fleetwood Enterprises, Inc. Fleetwood, through its various subsidiaries is one of the largest retailers and manufacturers of manufactured housing. Please consider this letter a statement in opposition to the above-proposed rule.

General Comments

- (1) The proposed rule violates the Due Process Clause of the United States Constitution. The rule calls for a potential \$600.00 fine to be unilaterally imposed, without notice, without the benefit of a hearing, without the benefit of the appearance of the party against whom the fine is to be levied. Moreover, the proposed rule affords no right of appeal.
- (2) The Missouri Public Service Commission should take this opportunity to propose new legislation regarding a Dispute Resolution Process as required by 2000 Manufactured Home Improvement Act, in lieu of the proposed rule.
- (3) The proposed rule will cause manufacturers and retailers to raise the prices of homes sold into Missouri. This price increase will cause economic hardship on those people who can least afford it, the people who purchase affordable manufactured housing.

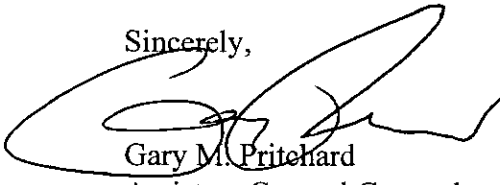
- (4) The proposed rule will cause reduced shipments into Missouri thereby compounding the problem that initiated the revenue shortage -- 65% lower shipment and sales into Missouri as compared with just a few years ago. The revenue shortage can be expected to increase as fewer units shipped.
- (5) The industry simply can't afford additional fees. In this unprecedented slump in the manufactured housing industry, the Missouri Public Service Commission has already recently added a \$30 inspection fee to all manufactured homes shipped into Missouri.

Specific Comments

- (1) The Missouri Public Service Commission should take this opportunity to propose a Dispute Resolution Process as required by 2000 Manufactured Home Improvement Act. As the current rule is written, the homeowner is free to demand a costly home inspection rather than following the manufacturer's warranty process. They will simply call for inspection each time they have a minor complaint. Costly home inspections should only be used as a last resort, as part of the dispute resolution program/process. The homeowner must first be required to exhaust their warranty remedies and attempt to resolve the issue with the party involved. Why would the state send inspectors out to a home and charge up to a \$600.00 fee in addition to the necessary repairs, before giving the retailer manufacturer or installer an opportunity to repair?
- (2) The installer, and transport company if implicated, should be included in any dispute resolution/ inspection process. Additionally, each party affected or potentially affected must be given adequate notice of the date, time and place of the inspection such that they are afforded an opportunity to attend and to inspect the disputed item. Some appellate oversight must be afforded to the parties.
- (3) The scope and time of the inspections should be limited. The inspections should relate to and address objective HUD or installation code related issues only. There should be a minimum amount in controversy of \$500.00. The inspection process should be limited to the first year of homeownership.
- (4) If no objective HUD or installation article has been violated, there should automatically be no charge to the parties. It should not be discretionary with the director. Inspection fees should not exceed \$100.00. If the disputed item is determined to be frivolous, it should be within the discretion of the director to charge the homeowner for the inspection.

If you have any questions regarding this letter, please don't hesitate to contact me to discuss them.

Sincerely,



Gary M. Pritchard
Assistant General Counsel

\GMP

cc:

Joyce Baker

Missouri Manufactured Housing Association

Executive Director

P.O. Box 1365

Jefferson City, MO 65102