

**Federal Advisory Council for Household Goods Consumer Protection
Meeting Minutes for January 4-5, 2017**

The Federal Advisory Council for Household Goods (HHG) Consumer Protection was convened for its first meeting at 9:00am on January 4, 2017 in the Conference Center of the U.S. Department of Transportation Headquarters, Washington D.C. Mr. Kenneth Rogers, Chief of Commercial Enforcement and Investigations Division, Federal Motor Carrier Safety Administration (FMCSA) was the Designated Federal Officer (DFO). The Chairman of the meeting was Mr. Daniel “Dan” Veoni, Vice President of Government Affairs for the American Moving & Storage Association (AMSA).

Working Group Members Present:

Francisco Acuna – President, Household Goods Compliance Solutions, Inc.
Thomas Balzer, CAE – President, Ohio Trucking Association
Thomas J. (TJ) Carney – President, Carney McNicholas Inc.
John Esparza – President & CEO, Texas Trucking Association
Andrew Friedman, Esq. – Vice President – General Counsel, 1-800-Pack-Rat
Jennifer Gartlan, Esq. – Office of Consumer Affairs & Dispute Resolution Services, Federal Maritime Commission
Margaret McQueen – Safety Programs Manager, FMCSA National Training Center
Gabriel Meyer, Esq. – Attorney Advisor, US Surface Transportation Board
Heather Paraino, Esq. – Senior Corporate Counsel, MoveRescue
Jonathan Todd, Esq. – Of Counsel, Benesch Friedlander Coplan & Aronoff LLP
Dan Veoni (Chairman) – Vice President of Government Affairs, AMSA
Charles White, CAE, M.Ed. –Senior Vice President, International Association of Movers

FMCSA Support:

Kenneth Rogers – Chief, Commercial Enforcement & Investigations Division and DFO, FMCSA
Monique Riddick – Lead Transportation Specialist and Assistant DFO, FMCSA
Michael Evans- Transportation Specialist, HHG Team, FMCSA
Kurt Larson – Office of Public Affairs, FMCSA
Joseph DeLorenzo – Director, Office of Enforcement and Compliance, FMCSA*

Volpe Support:

Cassandra Allwell – Facilitator
Dianne Gunther – Volpe Lead
Erin Lohrenz – Record Minutes

Others:

Elaine McFee- CMC, Safety Director, Town & Country Movers, Inc.**
Scott Brenner – 1-800-Pack-Rat

** Joseph DeLorenzo was present for a portion of both days*

*** Elaine McFee was only present on the morning of the first day*

Day 1 – January 4, 2017

1. Introductions and Call to Order

Kenneth Rodgers and Dan Veoni introduced the working group members and called the meeting to order. Joseph (Joe) DeLorenzo provided some opening remarks explaining the difficulty in integrating the HHG program into FMCSA's mission. He noted that although FMCSA has an enforcement role, it is difficult to address all the issues involved in HHG compliance.

- 90% of efforts are spent on 10% of carriers who really need it
- Don't focus on reducing complaints – educate people regarding complaints
- Bring this to a level the consumer can understand that makes the biggest impact

2. Working Group Overview

Dan Veoni provided an overview of the working group's charge. The PowerPoint presentation is included at the end of the minutes, and the key points are summarized below.

Why are we here?

- Fixing America's Surface Transportation "FAST" Act was signed Dec. 4, 2015
- Section 5503 HHG Consumer Protection WG requires the Secretary to establish a working group for the purpose of developing recommendations to best convey to consumers relevant information with respect to federal laws concerning interstate transportation of household goods by motor carriers
 - Group is comprised of individuals who are experts in consumer affairs, educators with expertise on how people learn, and representatives of the HHG moving industry.
- Recommendations:
 1. Condense "Ready to Move?" publication into an easy to use format for consumers
 2. Use state of the art education techniques
 3. Reduce and simplify paperwork required of motor carriers and shippers
- Question: Is Consumer Education a Priority for Congress?
 - FMCSA has a responsibility to protect consumers in interstate household goods moves
 - FMCSA activities for interstate household goods commerce include collecting complaint data, enforcing compliance with consumer protection laws, and providing consumer education/outreach
- Other groups involved in consumer protection: MoveRescue, Better Business Bureau (BBB), American Moving and Storage Association (AMSA)
- Bottom line – In the HHG industry, we are not like freight carriers dealing with Business to Business relationships; we are dealing with consumers who are not as aware as professional movers and not as familiar with moving processes – education is key.

3. Opportunities and Challenges of Meeting Working Group Goals

The facilitator, Cassandra Allwell, then reviewed the agenda and meeting goals:

- Discuss opportunities and challenges for the working group
- Identify members for each subgroup

- Clarify roles, responsibilities and expectations

Group Exercise: Identify two goals and one challenge

Allwell led an exercise in which each working group member received three post-it notes, and identified two of their hopes/goals for this effort and one challenge. Allwell then shared their post-it notes with the group and grouped the post-it notes into themes, while discussing these themes with the group. The results of this exercise are listed below.

Goals

- Implement changes to update the process and the documents
- Provide recommendations on consumer protection
- Simplify the process; streamline the paperwork
- Innovation: provide opportunities to solve problems
- Improve technology – develop better tools
- Reduce stress – easier/better education to consumers
- Provide outreach to other organizations (Ex: Angie’s List and Google)
- Improve relationships: consumer – industry – government
- Provide recommendations to congress on challenges facing moving industry
- Improve information to consumers – redefine the term “quality mover”
- Increase competition to keep charges reasonable to consumers
- Improve FMCSA enforcement abilities – identify and shut down bad movers
- Better education to industry on how to operate

Takeaways - Growth of the industry and a better understanding of consumers will increase effectiveness of efforts to improve; there may be multiple ways to address different generations

- “Bad guys” are creative – they have developed networks – they appear to work independently but are actually working together – need to increase network of “good guys”
- Increase education at the local level
- Need to help enforcement on interstate mover side – federal organizations vs. state
- Most consumers who are online don’t feel this is a crime area
- Need to identify “rogue movers”
- Protect your move (PYM) – excellent tool that makes it digestible for the consumer
- Change penalty schedules to have a financial effect on the “bad guys”
- How do we relay the seriousness of this issue to the consumer?

Challenges

- Difficult to agree on a common ground
- Reading paperwork before signing; consumer needs to know estimate details, discussing evaluation options with customers prior to move
- Effectively combat moving fraud within moving industry
- 3 questions regarding innovative tools to expand options:
 - How to distinguish real movers from fake movers?
 - How to compare movers?
 - How to solve problems before they occur?
- Current traditional rules don’t address what interstate moving marketplace does – 75% of consumers aren’t using traditional companies
 - Recognize this change to industry

- Coordinating private sector/government consumer protection efforts
- Balancing industry practices with consumer expectations
- Group consensus – reach ALL consumers– language barriers, changing public perception, level of learning for each consumer; messaging
- Challenge is that implementation of legitimate moving companies is very difficult
 - The three documents regarding an estimate need to be consistent

4. Individual Presentations

- 1st Presentation – Kenneth Rodgers presented the Commercial Enforcement Program Update presentation. This PowerPoint is available at the end of the meeting minutes.

FMCSA Household Goods Compliance and Enforcement Program

4 Main Points:

1. Outreach to the public
 - Facebook
 - PYM website – working to make this a dynamic process
2. Database for receiving and handling complaints
3. Partnerships/Information Sharing
 - 8 partnerships with formal agreements
 - Continuing to solicit other partnerships for benefits
 - Director, Scott Darling
 - Ensuring integrity, benefit of programs are widespread and everyone has information they need to choose a mover

Why haven't others reached out to build partnerships?

 - Biggest constraint is financial
 - HHG program not currently part of MCSAP funding
 - Request has been submitted for HHG program as part of re-authorization
 - Encourage FMCSA to take advantage of AMSA to be a component to encourage lawmakers to support efforts
4. Enforcement
 - We try to take advantage of our selective process choosing carriers who are violating regulations – need to make an impact

HHG Program – Personnel

- HQ Personnel
 - 6 full time employees
- Field Personnel
 - HHG technical advisory group – 9 specialist slots; we are continuing to fill positions
 - 475 safety investigators in field – most take advantage of HHG Basics training course, and have a good understanding of regulations and have support of the specialists

Maintaining High Safety Standards – HHG Compliance

- Our goal is to make sure our carriers maintain high safety standards to stay in business.

- We target carriers based on Top 100 compliance list – this list is pulled from national complaint database.
 - Which carriers are the worst?
 - Compliance reviews – includes safety and HHG regulations
- National Consumer Complaint Database (NCCDB) – general public and carriers can file complaints on carriers.
- “Moving Fraud Task Force” – targets the worst carriers.
- Consumer Protection Safety Review – policy where we enlisted support of state partners during New Entrant Safety Audits
 - Currently we are collecting data to continue developing this
 - One of our holdups is a backlog to rulemaking – tried to get ahead by implementing something currently in place – policy drafted to focus resources

Program Overview of 2016

- 4000 active authorized HHG carriers
- 600 HHG Brokers
- 380 HHG Freight Forwarders
- Enforcement is focused on the “Top 100”
- Conducted 55 enforcement actions out of the 180 reviews done
 - 41 of top 100

State Partnerships

- State partners will be trained to conduct Federal HHG Investigations to enforce regulations and statues 49 USC 14710 and 14711.
- Any action these state agencies take is separate from MCSAP

Outreach

- We work closely with Public Affairs Office and Outreach Division
- Annual Moving Season Campaigning
 - Moving campaigning starts around April (moving season is May – September)
- High success with Google keywords – our websites pop up when folks search for ‘movers’ keywords
 - Budget for buying keywords is a challenge

National Consumer Complaint Database – CY 2016

Yearly Comparisons

2015: 2,735 complaints; 291 hostage complaints

2016: 3,134 complaints; 523 hostage

- The fact that it is increasing is troubling
- Vetting needs to be done to determine if hostage load complaints actually meet the definition of a hostage load
 - We request documents (usually bill of lading)
 - Negotiations are done
 - How many hostage complaints are through licensed motor carriers?
 - Licensed carriers are probably more open to negotiation for fear of losing their license

FAST Act Legislation

- 3 main objectives to stay focused (make the “Ready to Move” pamphlet user friendly, increase consumer education, reduce required paperwork)
- We need an opportunity to take outside recommendations and use this to work on the policies and procedures currently in place.

Questions:

- On consumer complaints, we know there are frivolous complaints – are these part of the number?
 - Answer: Yes. Complaints are not removed from database with the exception of duplicate complaints. Consumers can also dispute complaints through DataQs.
- Is New Entrant Safety Audit ongoing?
 - Answer: Yes, as of September 30th
- What does your team see in terms of brokers today? Is this a way to approach carriers?
 - Answer: We are dealing with brokers on a case-by-case basis. We have to deal with the biggest problems – brokers are not the biggest problems.

➤ 2nd Presentation – Heather Paraino presented a PowerPoint about her organization, Move Rescue.

UniGroup created MoveRescue to protect consumers throughout the moving process.

What do we do?

- Consumer education – educates the consumer before the move: choosing a mover, understanding their rights, and resolving problems
- Consumer advocacy – lets agencies know what types of complaints they are getting and finds better rules for consumers
 - Wide network of attorneys – rescues shipments from “bad guys” and finishes delivery for the consumer

Background

- Approximately 4800 interstate moving companies; 1.6 million Americans move every year interstate
- Industry comprised of 3 players: individual shippers, HHG motor carriers, HHG brokers
 - Many different services available (Ex: DIY)
- Interstate moving consumers rely primarily on federal oversight and enforcement
 - This does not mean consumers are unprotected
 - FMCSA has oversight responsibility for consumer protection
 - The U.S. Department of Transportation (DOT) Office of Inspector General (OIG) office is very active in pursuing criminal cases
- Congress has paid more attention to HHG in the last decade or so
 - 2012 – Enacted MAP 21
 - 2015 – Enacted FAST Act

Typical Moving Fraud Tactics

- Large variety of shipping complaints
- Internet usage
 - Easy for the “bad guys” to lure customers beyond their location
 - Internet is cheap and easily accessible

- Brokers posing as movers – majority of moving fraud complaints
 - Consumers don't know they are doing business with a broker
 - Misleading business names
 - Confusing business practices
 - Failure to disclose broker status
 - Collects money that doesn't apply to cost of move
 - Hardly any binding estimates are made
- Chameleon companies
 - Most of our calls each year are the same companies
 - Relationships exist between companies of which consumers are unaware
 - Deposits
 - Paid upfront – consumers will believe they are applied to moving charges but these are unrelated – disguised by broker cost
 - Extortionate payment demands
 - Catastrophic to consumers
 - Hostage freight – carriers hold belongings/money “hostage” before delivery forcing consumers to pay additional fees
 - 13% of complaints are hostage freight complaints
- Paperwork “tricks”
 - Binding estimates that aren't really binding
 - “Check the box” estimate revisions – have shipper sign the document agreeing to extra charges
 - Blank or incomplete documents
 - Fine print
 - Delivery waivers
- Refusal to service
 - Shippers are dealing online with broker who makes untrue promises
 - Broker has no authority to perform HHG move – sometimes refuses to complete shipment delivery
 - Largescale abandonment of shipments

Countering Moving Fraud – What can be done?

- Government efforts: education, increased staff, partnerships, regulations, NCCDB, criminal enforcement efforts
- Industry efforts
- Success through education – empowering consumers through knowledge – help them negotiate a good solution
- Success through advocacy – resolve consumer complaints
- Success through partnerships

Future of moving fraud – What is coming?

- Moving industry is changing – majority of traditional full service moving (FSM) consumers are retiring
- Millennials are the largest segment in the workforce and they do things differently
- Full Service Moving (FSM) market only constitutes about 25% of market now
- Majority of consumers' moving companies may not be following traditional enforcement regulations or behaviors
- Disrupters – online presence; typically not licensed; revenues are growing

- Ex: Craigslist, Amazon – allows connection to these moving companies
- Growing concerns
 - Traditional consumers need specialized protection – this protection is decreasing in today's market
 - These problem companies won't end up on Top 100 list because they don't have the licensure required for this categorization

Takeaways:

- We need to look at this in the paperwork and see what we can do for the industry as a whole to protect the source.
- Many HHG situations are resolved through negotiation.
- We train staff to be very clear up front about what we can and can't do.

Questions – How many rescues done a year?

- It varies – some years over a dozen

➤ 3rd Presentation – Jennifer Gartlan presented information about the Federal Maritime Commission (FMC)

What do we do?

- Main responsibility is regulating international shipments and educating industry on requirements for regulating these shipments
- FMC has a focus on consumer affairs and alternative dispute resolution
- Awareness outlets – website, office hours, information calls
- We let people know of alternative companies on the website
- We have an ombuds service – any entity can walk into our office for services
- We have a Rapid Response Program for quick location and delivery of emergency shipments

Dispute resolution

- We work with moving companies and consumers to resolve conflicts
- We develop partnerships with companies (Ex: MoveRescue)
- Mediation services
 - Ex: A moving company has a contract conflict with shipper and steamship line – We work with all 3 entities to resolve the issues
- We have also been able to work with the international community through our various efforts.
- The more information we can share, and the more we can cooperate and work together, the better the overall result.

Questions:

- Many international shipments are government related – do you just have individual consumers?
 - We have exempted military and General Services Administration (GSA) shipments; our office deals with issues unrelated to HHG as well

5. Key Recommendations

The working group had a discussion of each of the three recommendations that they will be developing. The key points of each discussion are captured in the notes below.

1) Condense FMCSA publication/pamphlet 03-005 (Ready to Move) into a format easy that is easier for consumers to use

This is a relatively narrow recommendation – carriers are required to provide this brochure to consumers during the move

- They must sign a waiver in order to receive the brochure in electronic form.

Current challenges:

- How do we make it more concise?
- What do we want to condense it into?

The pamphlet is a lot of information for consumers to read – condense it into key bullets:

- Use of an acronym – possibly to “scare” the consumer? Get their attention?
- Are we stuck with one format?
 - Other options: video, link through text, link to an FMCSA video in lieu of a paper brochure
 - There are issues with security parameters
 - Paper brochures are good for elderly, more traditional users
- Give people options for how to receive this – there is some guidance but more is needed
- Let’s not get hung up on current regulations – Congress asked us to get together to work on this and make improvements
- Any campaign that we do is made to be shareable – need to make it more easily enforceable
- Disconnect – If I am an entity looking to move, how do I proactively attain the information necessary to educate myself and make the move? How do we reach consumers?

There was a suggestion to partner with realtors who can hand programs out when they speak to clients.

Suggested key bullets to inform and warn consumers:

- Warning – do not disclose deadline dates related to your move (bad movers use these dates to influence how they come at the consumers)
- Shipment charges can’t be revised once shipping begins
- Warning about using “go-between” companies who aren’t registered
- Inform consumers about risks with using “drop box” carriers – they lose inherited rights of liability

What is the goal for the document?

Is this document supposed to provide tips or an explanation of rights/responsibilities?

- The document ensures the consumer gets a reputable, licensed moving company up front
- Use of plain language with a catchy acronym would be beneficial

Suggestion: Make a section in the pamphlet for “quick items” and then the rest of the brochure explains how to do those things

- Timing is important to emphasize as well.
- Current information is concise but not necessarily relevant.
- Consumers may not understand the term “broker” vs. “mover” vs. “forwarder” (freight companies) – none of PYM applies when using a broker.
- We need to get the right information in a smaller package.

- We could do a series of short videos depicting the “worst case scenarios” that could happen if you don’t get a good mover.

Focus: We need to increase consumer awareness:

- They need to know the difference between full service, broker, and “affordable moving and storage container”
- They need to understand they are not “buying insurance”
- We need to streamline “Ready to Move” – know who your mover is
- Facebook – 66% of people get most of their news from Facebook

Questions:

- At what point do we put our suggestions into action?
 - Currently, we are brainstorming; then we will go through the report outline and choose our subgroups; we will then take notes and report out on the ideas discussed
- Are there strong opinions on using “positive statements” vs “scare tactics”?
- How best to determine what is a good mover?

2) Make best use of state of the art education techniques and technologies for conveying relevant information/optimizing Internet as education tool.

- Videos, webinars, podcasts could all be vehicles for information
- How would people receive the information? How do we get straight to the people who need it most?
- Consolidation/collaboration of efforts is important – people’s time is important
- PYM is very digestible and IT friendly right now
- Folks (“good guy” carriers, AMSA, other partners) need good content to put on their websites – improving relationships is key

Suggestions:

- Take advantage of current high traffic websites:
 - Link Google with Angie’s List (list all the entities who are part of the move process that aren’t part of FMCSA but are still important)
 - Utilize Yelp – where almost everyone goes for a review
- Use U.S. DOT #s to find information
 - This is a quick way to help consumers get immediate information about a company before choosing them as their mover
- Educate reporters who reach out to consumers
 - We can’t disclose consumer related information to the reporters but can connect them or have the consumers sign a disclosure
- Possibility for a public/private campaign? This may put the pressure on companies to act to get the information to the consumers.
- Provide a disclaimer to advise the consumer to check FMCSA’s PYM site before making any decisions/signatures on an affiliated site.

We need to address how information is being delivered. We are talking a lot about packaging but the critical piece is getting it in the right hands.

“We are living in a regulatory world in an unregulated economy” – we have become an economy that will take the cheap/easy route as opposed to the right route.

Challenge: Lack of money with regard to campaigning

- Goal is to increase our budget in years to come but we need to deal with what we have now.
- This makes it difficult to be highly viewed for example, with Google searches.

“We need to recommend to Congress to give FMCSA the ability to regulate the advertisement of moving services and resources”; this will encompass brokers and all areas that need to be covered.

3) Reduce and simplify the paperwork required of motor carriers and shippers in interstate transportation

- Paperwork is still all important
- We would think HHG consumer protection should be increased
- We have 8 commercial specialists who are focused on HHG – they are in the field
- Overall consensus: There is too much paperwork.

Current required paperwork: “Ready To Move” brochure, Rights and Responsibilities document, Estimate, Order for Service, Bill of Lading, Inventory, Freight Bill, and Invoice

Items for consideration:

- These are not standardized documents but there is standardized language that must be on the documents
- We could request a standardized form with specific language – this will bring everyone to the same page and help investigators quickly identify discrepancies
 - Need to address the fact that some movers use different models for moving which may cause some information to be irrelevant
- Bill of lading can run 3-4 pages – can this be reduced?
- Estimates must be made on weight
- “Rights and Responsibilities” document was reduced but is still quite lengthy.
 - Is this something we should require? Should it just be a part of the initial brochure?
- Challenge: HHG regulation recommendations are at the low end of the totem pole

Other considerations:

- What do consumers need to know before going through a move with regards to containers and DIY rentals?
- Some carriers may not be HHG – how are you licensed under FMCSA? What paperwork requirements do you have?
 - If a broker is not considered HHG (Ex: freight broker) they don’t have to register in the same space as HHG
 - Pods/Limited Service Exclusion (LSE) (container companies) are not regulated under commercial regulations
 - Should there be a paperwork requirement imposed to make consumers aware that they are not, in this case, working with a moving company?
- Carriers want the ability to customize forms – this may create confusion to the consumer
 - We need to make sure the information provided on the document is balanced
- What happens when the mover shows up with “addendum” to the estimate?

Question: Should this group address paperwork requirements for “non-traditional” carriers?

- The focus should be on providing the recommendations requested in the FAST Act.

6. Report Outline/Roles and Responsibilities/Subgroups

Report Outline:

- I) Introduction
- II) Background
- III) Goals of Recommendations
- IV) Recommendations
 - a)
 - b)
 - c)
- V) Other recommendations
- VI) Conclusion
- VII) Appendix

Roles/responsibilities of the WG

- Members must attend the WG meetings
- Full participation is required
- All must deliberate on required recommendations
- All must provide timely recommendations to the FMCSA

*Note – there were not many people from consumer protection; mostly folks from industry; everyone in the group needs to keep an open mind

How can we improve? What went well?

- Task is focusing and putting words to paper
- Good brainstorming
- Everyone was open and honest with good opinions
- Goal for next meeting is to have tangible work that we can put to use

Next Steps for Subgroups:

- Subgroups should get together and come up with recommendations that they want to bring back to the full group and then all decisions can be made together.
- Subgroups will work together on teleconferences between meetings.
- We want to put all of the information into categories that we can then sort out and start putting pen to paper in the March meeting.

Day 2 – January 5, 2016

Chairman Dan Veoni called the meeting to order at 9:00am, and the working group immediately split up into their subgroups. The subgroups began working towards the objectives outlined in the FAST Act, and the group reconvened at 10:30am. Each subgroup reported their ideas and decisions to the full working group for discussion.

7. Subgroup – Education

Working Group Members:

Jennifer Gartlan

Margie McQueen

Kelsey Owen (*not present at this meeting*)

Jonathan Todd

Charles White

Key points and recommendations:

- We need to capture the necessary data to make our recommendations
 - Do we have the ability to gather it?
- We have a three-step plan to deliver the message
- We need to maintain consumer due diligence

3 main steps: (What, Who, How)

1. **What** is the message? We want to break it down
 - We need an attention-grabber – positive message? Scare tactic? Acronym focused – Ex: STOP and GO (color coded)
2. **Who** is the target audience? Who do we get the message to? Age group?
3. **How** do we deliver the message? Opportunities for outreach? (2 main buckets: media and hard copies)
 - Text messaging (media)
 - Rest areas, college fairs
 - Event driven methods (something drives them to move) – wedding shows, bridal fairs, assisted living facilities

8. Subgroup – Brochure

Working Group Members:

John Esparza

Andy Friedman

Chad Hall (*not present at this meeting*)

Gabriel Meyer

Messaging:

- Condense language into bullet points
- Be more “twitter like” (#badmoverbadmove; #goodmovergoodmove)
- We want to put an air of caution into the brochure
- Moving is a significant undertaking
- Get the message out early

Priorities:

- Using a licensed mover is very important
- Get the estimates in writing
- Get attention of consumer
- Instill in consumer that a low price is not necessarily the best price
- Moving is not a commodity – quality matters
- Check the background of a company
- Keep the distinction of the difference between a broker and a mover

Is my mover reputable?

- Insurance
- Authority
- Active
- References
- BBB?

Questions:

- What does it take to find a good mover?
- How do we get this info to the consumer?
- What is the benefit of the pamphlet?
- How do we give meaningful guidance?

Recommendations:

- Require HHG movers and brokers to provide information about PYM as well as a link to the FMCSA website
- Provide a brief education to the customer on how to protect themselves

9. Subgroup – Paperwork

Working Group Members:

Francisco Acuna

Tom Balzer

TJ Carney

Richard Corona (*not present at this meeting*)

Heather Paraino

Key points and recommendations

- Simplify and condense the complex arrangement with clients
- Allow electronic versions of every document
- Evaluate rules and regulations but possibly look into changing these regulations

Documentation:

- Rights and Responsibilities:
 - Reduce the paperwork
 - Make more available – downloadable versions
 - Eliminate consent for electronic version
 - Make it available earlier in the process

- Estimate:
 - Can be simplified to one page
 - Defines payment obligations – very important
 - Need to determine waivers and loopholes
 - Binding vs. non-binding; 2005: carriers can charge no more than 110% of nonbinding
 - Dates/deadlines are also on bill of lading
 - This is a living, breathing document until the client calls up and says otherwise
 - It takes a lot of effort to look at all rules and laws and keep all of this in the designer form – good design will differentiate the service/product
 - Rogue movers provide estimates to help customers understand what they are getting into
 - Standardized vs. simplified is important – need feedback from stakeholders
- Order for service:
 - Can be combined with the estimate;
 - It is easy to make modifications to the estimate and use this to commit to providing good service to the client
 - Can shift requirements to the bill of lading
 - Possibly eliminate this requirement?
- Bill of lading:
 - We need to keep this document; highly valued document
 - More conversation about simplifying
- Freight bill:
 - There are certain rules we will recommend to look at again to streamline
 - 15 days after the move
 - No motor carrier can require driver to submit by the deadline
 - Most combine with bill of lading – could be provided later though
 - Suggestion to eliminate this requirement
- Inventory
 - Never used for DIY
 - Recommendation – shipper can waive this?
 - Bad guys don't use this and it adds a burden to “good guys”
 - 75% non-traditional carriers don't use inventory
 - Needs more discussion
 - Carriers can still use it if they wanted
- High valued inventory:
 - \$100/lb/item
 - Important – it protects carriers and consumers
 - We need to keep this but find better ways to get it to consumers
 - Possibly add it to Bill of Lading?
 - Need to discuss this more; having a separate list to verify might not be necessary

Homework:

- Talk to carriers/stakeholders to get ideas/feedback to help support future discussions
- Look at checklists to determine how to simplify the documents
- Look at waivers to determine what should be allowed and what should be avoided

10. Moving Forward

Conference Calls:

- Planned conference calls with subgroup members before the March 8-9 meeting
 - Education subgroup – January 25th, 11am- 1pm EST
 - Brochure subgroup – January 26th, 10am-12pm EST
 - Paperwork subgroup – January 30th, 10am- 12pm EST

Note: After the meeting, two of these conference calls were rescheduled. The actual dates and times of these calls were:

- Education subgroup – January 26th, 11am- 12:30 pm EST
 - Brochure subgroup – January 26th, 3pm-4pm EST
 - Paperwork subgroup – January 30th, 10am- 11am EST
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- Call in numbers will be provided
 - Group members will plan to present the homework during the conference calls
 - Designate note taking responsibilities ahead of time

Upcoming Onsite Meetings:

- March 8-9
- May 3-4
- June 28-29

Report Timeline

- Aug. 1 – Sept. 1: Draft Report
- Sept. 30: Submit Report

11. Concluding Thoughts

Did we meet the following meeting goals?

- Better understand consumer demands and solve problems
- Define/redefine terms
- Creating innovative tools and techniques within the budget

Feedback:

- Expectation is to have a working list of recommendations based on subgroup work
- Great presentations – any opportunity for other presenters outside the group?
- Scott Brenner indicated he may have contact outside of the group to help better understand how to reach these entities

Closing Remarks:

- Kenneth Rodgers – We all seem to be on the same page for the task at hand; I feel this was a positive meeting experience.
- Dan Veoni – These are great ideas, now is the time to start thinking about how we will put this together and move forward.

Adjournment:

The first meeting for the National Advisory Council for Household Goods Consumer Protection was adjourned at 12:00pm on January 5, 2017.

Certification:

We hereby certify that, to the best of our knowledge, the foregoing minutes are accurate and complete.

//Signed//

Daniel Veoni

Chairman, HHG Consumer Protection Working Group

//Signed//

Kenneth Rogers

DFO, HHG Consumer Protection Working Group

1 and the States have taken to implement the recommenda-
2 tions included in the report.

3 (e) TERMINATION.-The working group shall termi-
4 nate 1year after the date the Secretary receives the report
5 under subsection (c)(1).

6 SEC. 5503. HOUSEHOLD GOODS CONSUMER PROTECTION 7 WORKING GROUP.
--

8 (a) WORKING GROUP.-The Secretary shall establish
9 a working group for the purpose of developing rec-
10 ommendations on how to best convey to consumers rel-
11 evant information with respect to the Federal laws con-
12 cerning the interstate transportation of household goods
13 by motor carrier.

14 (b) MEMBERSHIP .-The Secretary shall ensure that
15 the working group is comprised of individuals with exper-
16 tise in consumer affairs, educators with expertise in how
17 people learn most effectively, and representatives of the
18 household goods moving industry.

19 (c) RECOMMENDATIONS.-

20 (1) CONTENTS.-The recommendations devel-
21 oped by the working group shall include rec-
22 ommendations on-

23 (A) condensing publication ESA 03005 of
24 the Federal Motor Carrier Safety Administra-

1 tion into a format that is more easily used by
2 consumers;

3 (B) using state-of-the-art education tech-
4 niques and technologies, including optimizing
5 the use of the Internet as an educational tool;
6 and

7 (C) reducing and simplifying the paper-
8 work required of motor carriers and shippers in
9 interstate transportation.

10 (2) DEADLINE.- Not later than 1 year after
11 the date of enactment of this Act-

12 (A) the working group shall make the rec-
13 ommendations described in paragraph (1); and

14 (B) the Secretary shall publish the rec-
15 ommendations on a publicly accessible Internet
16 Web site of the Department.

17 (d) REPORT.-Not later than 1year after the date
18 on which the working group makes its recommendations
19 under subsection (c)(2), the Secretary shall issue a report
20 to Congress on the implementation of such recommenda-
21 tions.

22 (e) TERMINATION.- The working group shall termi-
23 nate 1year after the date the working group makes its
24 recommendations under subsection (c)(2).

HOUSEHOLD GOODS CONSUMER PROTECTION WORKING GROUP CHARTER

1. WORKING GROUP OFFICIAL DESIGNATION: The Working Group's official designation is the Household Goods Consumer Protection Working Group (HHG Working Group).
2. AUTHORITY: Section 5503 (Household Goods Consumer Protection Working Group) of the Fixing America's Surface Transportation Act (FAST Act), Pub. L.No. 114-94 (December 4, 2015). This charter provides for the working group's operation in accordance with the provisions of the Federal Advisory Committee Act (FACA), as amended, 5 U.S.C. App. 2.
3. OBJECTIVES AND SCOPE OF ACTIVITIES: The HHG Working Group shall develop recommendations on how best to convey to consumers relevant information with respect to the Federal laws concerning the interstate transportation of household goods by motor carrier. Before December 4, 2016, the HHG Working Group shall submit their recommendations to the Secretary of Transportation through the Administrator, Federal Motor Carrier Safety Administration (FMCSA). The recommendations shall include but not be limited to:
 - a. How to condense FMCSA publication/pamphlet ESA 03-005 ("Ready to Move?") (rev. April 2006) into a format that is more easily used by consumers;
 - b. How best to use state-of-the-art education techniques and technologies for conveying relevant information with respect to Federal laws concerning the interstate transportation of household goods by motor carrier (including, but not limited to, how to optimize the Internet as an educational tool);
 - c. How to reduce and simplify the paperwork required of motor carriers and shippers in interstate transportation; and
 - d. Other relevant recommendations as tasked by FMCSA.
4. DESCRIPTION OF DUTIES: The HHG Working Group members shall:
 - a. Attend HHG Working Group meetings;
 - b. Gather information as necessary to achieve HHG Working Group objectives;
 - c. Deliberate on the required recommendations of 3a -3d above; and
 - d. Provide timely, written, consensus recommendations to the FMCSA Administrator.
5. AGENCY/OFFICIAL TO WHOM THE HHG WORKING GROUP REPORTS: The HHG Working Group shall report to the FMCSA Administrator through the Associate Administrator for Enforcement.

6. SUPPORT: The FMCSA's Office of Enforcement will provide necessary funding, logistics, and administrative support for the HHG Working Group.

7. ESTIMATED ANNUAL OPERATING COSTS AND STAFF YEARS: The annual operating costs associated with the HHG Working Group's functions are estimated to be \$50,000, including all direct and indirect expenses. The Agency estimates that one full-time equivalent position will be required to support the HHG Working Group.

8. DESIGNATED FEDERAL OFFICER (DFO) AND SPONSOR:
 - a. The DFO for the HHG Working Group is FMCSA's Associate Administrator for Enforcement or his or her designee.

 - b. The DFO will approve or call all HHG Working Group and sub-group meetings, prepare and approve all meeting agendas, attend all HHG Working Group and sub-group meetings, and chair meetings when directed to do so by the FMCSA Administrator.

 - c. The DFO may also establish a 2016 deadline by which the HHG Working Group will submit its written consensus recommendations to the FMCSA Administrator.

9. ESTIMATED NUMBER AND FREQUENCY OF MEETINGS:
 - a. HHG Working Group meetings will be held approximately four times in Calendar Year 2016. As necessary, the DFO may call additional HHG Working Group and sub-group meetings.

 - b. Notice of each meeting shall be published in the Federal Register at least 15 calendar days prior to the date of the meeting. The meeting agenda and all relevant meeting information will be posted in advance of each meeting on the Web site (fmcsa.dot.gov).

 - c. Meetings shall be open to the general public, except as provided under section 10(d) of FACA (as implemented by 41 C.F.R. § 102-3.155), the Government in the Sunshine Act (5 U.S.C. § 522b(c)), and DOT Order 1120.3B.

 - d. Detailed minutes of each meeting shall be certified by the DFO or his or her designee and maintained by the sponsor. The minutes, as certified, shall be published on an appropriate FMCSA public Web site.

10. DURATION: The HHG Working Group shall terminate one year after the date it submits its written consensus recommendations to the FMCSA Administrator.

11. TERMINATION: The charter shall terminate one year after the date it submits its written consensus recommendations to the FMCSA Administrator or 2 years after its filing date, whichever is sooner.

12. MEMBERSHIP AND DESIGNATION:

- a. The Secretary shall appoint no less than five members, none of whom are FMCSA employees. Members are expected to serve for the duration of the HHG Working Group. Additionally, the Secretary may remove a committee member at any time with or without cause. The membership will comprise:
 1. Individuals with expertise in consumer affairs. Such individuals appointed from the private sector will serve as Special Government Employees.
 2. Educators with expertise in how people learn most effectively. Such individuals appointed from the private sector will serve as Special Government Employees.
 3. Representatives of the interstate household goods moving industry.
- b. To ensure the recommendations of the HHG Working Group take into account the needs of diverse groups served by the Department, membership shall include, to the extent practicable, individuals to represent minorities, women, and persons with disabilities.
- c. When their HHG Working Group duties require their personal appearance, members are authorized travel and subsistence or per diem allowances (as appropriate) in accordance with Federal Government regulations. All travel by individual members when engaged in official HHG Working Group business shall be approved in advance by the DFO, and arranged and funded by the sponsor.

13. SUB-COMMITTEES: The DFO has the authority to establish sub-groups. Sub-groups shall not work independently of the chartered HHG Working Group and shall report all of their recommendations and advice to the full HHG Working Group for deliberation and discussion. Sub-groups will not provide advice or work products directly to the Secretary or the FMCSA Administrator.

14. RECORDKEEPING: The records of the HHG Working Group and any sub-group shall be handled in accordance with General Records Schedule 6.2 or other approved agency records disposition schedule. These records shall be available for public inspection and copying, subject to the Freedom of Information Act, 5 U.S.C. § 552.

15. FILING DATE: The filing date of this charter is October 13, 2016.

The Household Goods Consumer Protection Working Group

Dan Veoni
Vice President, Government Affairs
American Moving & Storage Association



Why Are We Here?

- On December 4, 2015, President Obama signed into law the Fixing America's Surface Transportation Act or the 'FAST Act' (Public Law No: 114-94)
- Section 5503: Household Goods Consumer Protection Working Group

What Does Section 5503 Require?

- (a) Working Group.--The Secretary shall establish a working group for the purpose of developing recommendations on how to best convey to consumers relevant information with respect to the Federal laws concerning the interstate transportation of household goods by motor carrier.

What Does Section 5503 Require?

- (b) Membership.--The Secretary shall ensure that the working group is comprised of individuals with expertise in consumer affairs, educators with expertise in how people learn most effectively, and representatives of the household goods moving industry.

What Does Section 5503 Require?

- (c) Recommendations.--
 - (1) Contents.--The recommendations developed by the working group shall include recommendations on--
 - (A) condensing publication ESA 03005 of the Federal Motor Carrier Safety Administration into a format that is more easily used by consumers;
 - (B) using state-of-the-art education techniques and technologies, including optimizing the use of the Internet as an educational tool; and
 - (C) reducing and simplifying the paperwork required of motor carriers and shippers in interstate transportation.

What Does Section 5503 Require?

- (2) Deadline.--Not later than 1 year after the date of enactment of this Act--

(A) the working group shall make the recommendations described in paragraph (1); and

(B) the Secretary shall publish the recommendations on a publicly accessible

Internet Web site of the Department.

What Does Section 5503 Require?

- (d) Report.--Not later than 1 year after the date on which the working group makes its recommendations under subsection (c)(2), the Secretary shall issue a report to Congress on the implementation of such recommendations.

What Does Section 5503 Require?

- (e) Termination.--The working group shall terminate 1 year after the date the working group makes its recommendations under subsection (c)(2).

Why is Household Goods Consumer Education a Priority for Congress?

- Consumers who hire interstate household goods movers must rely primarily on federal oversight and enforcement of the household goods moving industry for consumer protection
- Since the termination of the Interstate Commerce Commission (1999), the Federal Motor Carrier Safety Administration (FMCSA) within the Department of Transportation (DOT) has had responsibility for protecting consumers involved in interstate household goods moves

Why is Household Goods Consumer Education a Priority for Congress?

- FMCSA's oversight activities for interstate household goods movers include collecting complaint data, enforcing compliance with economic and consumer protection laws and regulations, and providing consumer education and outreach.
- Complaints about estimates and final charges, problems with the pickup and delivery of goods, and loss or damage of goods

What Other Organizations are Involved in Consumer Education/Protection?

- MoveRescue
- The Better Business Bureau (BBB)
- The American Moving and Storage Association (AMSA)

AMSA Services

- www.Moving.org

AMERICAN MOVING & STORAGE ASSOCIATION


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WHY PROMOVER?

- Licensed and Insured
- Compliant with Federal Regulations
- Maintain Acceptable BBB Ratings
- Vetted and Certified by AMSA
- Abide by Ethical Business Practices

FIND A PROMOVER

- ProMover Referral Service
- A-Z ProMover Listing
- State ProMovers
- International Movers

MOVING 101

- Moving Tips
- Choosing a Mover
- In-Home Estimates
- Moving Timeline
- After You Move

AMSA Services

<https://www.youtube.com/watch?v=L9fWFF94qe0>

Questions?



Title 49 CFR Part 375

- TRANSPORTATION OF HOUSEHOLD GOODS IN INTERSTATE COMMERCE; CONSUMER PROTECTION REGULATIONS
- § 375.213--What information must I provide to a prospective individual shipper?
 - Before Written Estimate:
 - Department of Transportation publication FMCSA–ESA–03–005 “Ready to Move?—Tips for a Successful Interstate Move.”

Title 49 CFR Part 375

- § 375.213--What information must I provide to a prospective individual shipper? (Continued)
 - Before an Order for Service:
 - Department of Transportation publication FMCSA–ESA–03–006 “Your Rights and Responsibilities When You Move”
 - A concise, easy-to-read, accurate estimate of charges
 - A notice of the availability of the applicable sections of the tariff
 - A concise, easy-to-read, accurate summary of your arbitration program
 - A concise, easy-to-read, accurate summary of your customer complaint and inquiry handling procedures

Title 49 CFR Part 375

- § 375.501 Must I write up an order for service?
 - (a) Before you receive a shipment of household goods you will move for an individual shipper, you must prepare an order for service.
- § 375.503 Must I write up an inventory?
 - (a) You must prepare a written, itemized inventory for each shipment of household goods you transport for an individual shipper. The inventory must identify every carton and every uncartoned item that is included in the shipment.
- § 375.505 Must I write up a bill of lading?
 - (a) You must issue a bill of lading. The bill of lading must contain the terms and conditions of the contract.



Federal Motor Carrier Safety Administration

Commercial Enforcement Program Update

January 4, 2017





The FMCSA Household Goods Compliance and Enforcement Program

Outreach

**Complaint
Handling
and Data
Analysis**

**Partnerships
and
Information
Sharing**

Enforcement





Household Goods Program

❖ Headquarters Personnel

- Six Full Time Employees

❖ Field Personnel

- Household Goods Technical Assistance Group (TAG)
- Nine Field Commercial Specialists
- HHG Trained Field Safety Investigators



Household Goods Program

❖ Maintain High Safety Standards

- Raise the Bar to Entry
- Require motor carriers to maintain safety standards
- Removing non-compliant motor carriers

❖ HHG Compliance

- Top 100 List – Consumer & Safety Complaint Data
 - Compliance Reviews
 - HHG Reviews
- National Consumer Complaint Database (NCCDB) - Complaint Handling
- Moving Fraud Task Force Operations
- Consumer Protection Safety Review
 - New Entrant Safety Audit



Program Overview 2016

- ❖ 4,153 Active HHG Authorized Motor Carriers
- ❖ 664 HHG Brokers
- ❖ 383 HHG Freight Forwarders
- ❖ HHG Carrier Reviews
 - 179 reviews conducted
 - Focus on the Top 100
- ❖ 55 HHG Carrier Enforcement Cases
 - 41 of the top 100



State Partnerships

- ❖ Signed Memoranda of Agreement State partners to train State officials to conduct Federal HHG investigations.
- ❖ State partners conduct HHG investigations enforcing Federal regulations and statues - 49 USC 14710 and 14711.
- ❖ State partners include:
 - Arizona Office of Attorney General
 - Arizona Department of Public Safety
 - Delaware Department of Justice
 - Florida Office of Attorney General
 - Louisiana State Police
 - New Jersey Division of Consumer Affairs
 - Texas Department of Motor Vehicles
 - California Division of Measurement and Standards



Outreach

- ❖ FMCSA conducts significant outreach to increase consumer protection.

- ❖ Protect Your Move website:
 - www.protectyourmove.gov

- ❖ Annual Moving Season Campaign



National Consumer Complaint Database – CY 2016

❖ Complaints Received – 3,134

- Shipping Documents
- Estimates / Charges
- Hostage Loads
- Loss and Damage



HHG Complaint Data

- ❖ HHGs complaints for service and hostage loads are trending upward.

Complaints CY	Complaints	Hostage Complaints
2015	2,735	291
2016	3,134	523



FAST Act Legislation

❖ Fixing America's Surface Transportation Act (FAST Act) is the new legislation that impacts the HHG program - Section 5503.

❖ Task

- Establish a HHG Consumer Protection Working Group to recommend how best to convey to consumers information on Federal laws in the interstate transportation of HHG.



FAST Act

❖ Membership of the Working Group

- Individuals in consumer affairs, educators with expertise in how people learn and representatives from the HHG moving industry.

❖ Recommendations

- Condense the pamphlet “Ready to Move” into a user friendly format.
- Use state-of-the-art education techniques and technologies utilizing the internet as an educational tool.
- Reduce and simplify the paperwork required of motor carriers and shippers in interstate transportation.



QUESTIONS?

