

**Federal Advisory Committee for Household Goods Consumer Protection
Paperwork Subgroup Teleconference
Meeting Minutes for April 12, 2017 10:00am – 12:00pm EST**

The Federal Advisory Committee for Household Goods (HHG) Consumer Protection Paperwork Subgroup was convened for a teleconference at 10:00am EST on Wednesday, April 12, 2017.

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.
Richard Corona – President, Enterprise Database Corporation
Scott Michael, President and CEO, American Moving & Storage Association
Heather Paraino (Chairwoman), Esq. – Senior Corporate Counsel, MoveRescue

FMCSA Support:

James Dubose – Transportation Specialist, FMCSA
Michael Evans – Transportation Specialist, FMCSA
Lawrence Hawthorne – Transportation Specialist, FMCSA
Monique Riddick – Lead Transportation Specialist and Assistant DFO, FMCSA
Kenneth Rodgers – Chief, Commercial Enforcement & Investigations Division and DFO, FMCSA

Volpe Support:

Dianne Gunther – Volpe Lead
Erin Lohrenz – Record Minutes
Julianne Schwarzer – Facilitator

1. Introduction

Kenneth (Ken) Rodgers, FMCSA, welcomed everyone to the meeting, introduced the group members, and provided a brief update.

- The March onsite meeting was canceled due to administrative issues.
- Dan Veoni is no longer a member of the Working Group and has resigned from American Moving & Storage Association (AMSA).
- Dan’s position on the Working Group has been filled by Scott Michael, who will now also be attending the Working Group meetings.
- Scott is approaching his 24-year anniversary of joining AMSA.

Julianne Schwarzer, U.S. Department of Transportation (DOT) Volpe Center, provided a brief agenda for this meeting and announced the upcoming onsite meeting schedule.

Upcoming Onsite Meetings:

- May 2-4
- June 27-29

2. Review of January Subgroup Discussions:

Dianne Gunther of the U.S. DOT Volpe Center provided a summary of the January subgroup meetings. The presentation is included at the end of the meeting minutes.

Brochure Subgroup January Recap:

- Developed a draft of four bullet points with key messages highlighted.
- It was noted that to better align with the Paperwork Subgroup's recommendations, it might be better to change "have your mover visit your residence" to accommodate the recommendation for a visual/virtual (rather than in-person) inspection.
- It was noted that FMCSA has received feedback that there is a negative outlook regarding scare tactics, and that it may be advisable to steer away from this approach.

Education Subgroup January Recap:

- Three focus areas:
 - What is the overall education message/strategy?
 - Who is the target audience?
 - How will we reach this audience?
- Grab consumers' attention quickly.
- Steer away from negative shock.
- Highlight legitimate movers ("good guys") rather than emphasizing the "bad guys."

General recommendations:

- Develop education plan to focus on the three key areas.
- Use Google Analytics to help consumers find necessary information.
- Provide funding to allow for Google Analytics throughout the year, not just peak moving season.

Paperwork Subgroup January Recap:

Group discussed the following current required documents:

1. *Rights and Responsibilities*
 - Notice of tariff may need to be included.
 - Further discussion may be needed.
2. *Estimate*
 - General consensus was to include the tariff, etc.
 - Eliminate the practice of amending the estimate.
 - Nonbinding estimates are rare, could cause problems for consumers.
 - Are there currently carriers using nonbinding estimates?
3. *Order for Service*
 - Recommendation is to eliminate this and move any necessary information to the estimate.

General recommendations:

- Carriers should be able to provide electronic versions of documents.
- Physical inspections should be changed to visual inspections.
- We need further discussion of the remaining four documents:
 - Bill of lading
 - Freight bill
 - Inventory
 - High value inventory

3. Group Discussion: Current Required Documents – Should there be others?

- Some documents might be required other than those in the current list – would the group need to look at some of these others?
 - Chairwoman Heather Paraino, Esq., MoveRescue, reminded the group of a list of these other documents and their specific requirements (attachment to the bill of lading).
- The FAST Act requirement states to “reduce paperwork” but provides no specific rules or guidance focused on any specific documents; it would be fine to consider other documents as well.
- Suggestions – modernize paperwork requirements in general; allow carriers to provide documents electronically.

Current required documents – potential recommendations:

1. Rights and Responsibilities – waive right to physical copy.
2. Estimate – recommendation that tariff, arbitration program and complaint procedure program be included in the estimate.
 - Should we require all estimates to be binding?
3. Order for service – eliminate this requirement and cross reference with estimate.

Remaining documents – potential recommendations:

4. Bill of lading – keep but simplify.
5. Freight bill – possibly eliminate and combine with bill of lading.
6. Inventory – needs more discussion.
 - It was noted that there is some concern about potential elimination of inventory (particularly from shipper/mover perspective).
7. High value inventory – keep this but think of a better way to get it to consumers.

Paraino noted that there was discussion with stakeholders regarding this group’s work at the AMSA annual meeting, and many carriers were interested in providing additional input.

- Most criminals in this market are not creating a real inventory, and there may be other options.
 - The recommendation might be to make inventory optional on some level (or non-mandatory for small shipments).
 - We should look for other ways to meet the same objective of documenting shipments.

- Examples: video surveys for vendors to demonstrate their capabilities; informed waiver for smaller shipments.
- It was noted that being able to record pre-existing damage would be helpful as this may be missed in a video survey.
- Criminals mark the inventory with every piece of furniture and they add damages to the furniture as insulation that this existed prior to their dealing with it (even when it wasn't initially damaged).
- It's important to identify high value items on a separate document (e.g., Armani suits and Ming vases should not be included with the rest of the inventory).
- There was a concern that eliminating the requirement for inventory makes it easier for cheaters to cheat.
 - It's important to provide consumers with the opportunity to disclose what they have, let the mover cover this, and make sure everyone understands their responsibilities.

4. **Group Discussion: Formulating the Recommendations:**

***Bolded items are recommendations that have been agreed upon within the subgroup**

1. *Rights and Responsibilities*

- **Remove requirement to waive right to physical copy.**
 - The subgroup was in agreement about this recommendation, but wanted to think of a different, clearer way to phrase it.
- Streamline/condense.
 - The current version was recently revised. Some older requirements got adopted into the new version. The group asked if they wanted to significantly revamp the new document.
 - The other recommendations that this Working Group makes might impact the language in the Rights and Responsibilities.
 - Maybe provide a checklist up front – follow the flow of a move instead of the regulations
 - **Make a recommendation to FMCSA to streamline/condense this document after the changes to other documents have been adopted.**
- Possibly deliver this to the consumer sooner? The Education Subgroup could help with this.
- The Rights and Responsibilities document is a good reflection of the complexity of the relationship between mover and consumer. We should not eliminate this; we should move on to where we can actually make an impact in reducing paperwork.
- Some of these other paperwork changes will impact the Rights and Responsibilities language, so the recommendation is to consider condensing the book when the other paperwork changes are made.

2. *Tariff*

- **Include the notice of the tariff in the Rights and Responsibilities and also warn about movers who don't have tariffs, or broker tariffs.**

- Make it available earlier in the document.
- Consumers would benefit by knowing about the tariff up front.
- Criminals don't use tariffs, so this would warn consumers.

3. Estimate

- FOR DISCUSSION: Should the arbitration program and complaint procedure be included here or in the Rights and Responsibilities?
 - From sales point of view, customers who try to buy online don't want a lot of documents up front (estimate is the most important document to consumers).
 - There is a tension between keeping it short and sweet while also providing sufficient information.
 - Can we make the arbitration program and complaint procedure documents available with a hyperlink or web address?
 - Clients are looking at shorter, easier ways to identify estimates.
 - Need to revisit this at in-person meeting with the full Working Group.
- FOR DISCUSSION: Eliminate non-binding estimates (only allow binding)
 - Consider the possibility that once you sign it, it becomes a binding agreement.
 - The difficulty in this is that it is hard for some consumers to do this until they are ready to make a purchasing decision (consumers like to shop around).
 - We could put a placeholder here saying "sign when you are ready to book" and/or eliminate requirement to sign.
 - What about a requirement to have a mover sign the estimate as well?
 - Criminals don't sign things and typically avoid non-binding estimates.
 - The challenge is that for electronic documents, electronic signatures require a code writer.
 - It would be helpful to have more time to discuss the option of removing non-binding estimates before establishing this recommendation. The subgroup chose to defer this discussion to onsite meeting and for discussion with the full group.
- **Eliminate the practice of amending the estimate ("checkbox" loophole)**
 - This recommendation might help with some of the signature concerns above.
- FOR DISCUSSION: Include date spreads in the estimate.
 - It's not clear what this means.
 - This is to give the mover ample time to get from pickup date to date of destination based on distance.
 - Criminals don't like having spread dates in the document. Not having spread dates gives them a "loophole" for when they actually make the delivery.
 - Could the requirement be to indicate the agreed-upon date or spread of dates on the estimate? This would be very helpful.
 - The language regarding requirements for dates to be shown could be made more clear (e.g., should say "delivery date(s)" on estimate). The current language on the order for service is confusing to consumers.

- Item to consider: Some consumers don't know their moving date – not all moves are residence to residence (don't want to force movers to put a date when they don't know it).
- Possibly add a “Dates TBD by Shipper” option.
- More discussion needs to happen regarding how these dates should look – let's leave this as a “to do” for in person meeting.

4. *Order for Service* –

- **Recommendation - eliminate and move critical pieces to estimate**
- FOR DISCUSSION: Let's bring this to estimate discussion when we are all together

5. *Bill of Lading* –

- Keep this but simplify.
- This needs more discussion at the onsite meeting.

6. *Inventory* –

- Should this be waived? Are there other technologies that could be used to reduce paperwork?
- It may be best to let the public decide about inventory by making it a tariff item which can be charged directly, or put it in contractor agreement where the carrier pays the driver for the inventory.
 - The group noted that, to their knowledge, there is not a prohibition on this, and those decisions could be made without rule changes
- The group could make a recommendation that inventories be made optional but that the mover can't waive it without the shipper's informed consent.
- Rationale:
 - HOS compliance issues could be a problem – drivers will try to shortcut this.
 - Feasibility for drivers should be considered (could take up to 4 hours).
- There could be an impact on claim settlement and ability to know pre-existing damage.
- Consumers and movers use inventories in the claims process and the subgroup wants to make sure that inventories can't be used as tools for criminals.
- Video may help but not for missing items.

7. *High Value Inventory*

- **Recommendation - Keep this and put on the Bill of Lading**
 - This might make it difficult to streamline the bill of lading.
 - The high value inventory is not a large document, and it shouldn't add much more than a few lines.

8. *Freight Bill*

- One group member noted that he has rarely seen a freight bill as a document associated with an HHG move.
- Most movers combine the freight bill with the bill of lading because the information needs to be the same.
- Can we make this an optional document?

- Most companies in the moving industry use independent owner/operators and lease it to the movers (federal regulations who determine leasing to drivers).
 - Leasing regulations will need to change to require drivers to discuss bills of lading instead of freight bills.
- The group can recommend that these requirements shouldn't apply to HHG movers. It could remain as a business practice, but not a requirement.

9. Invoice

- No specific rule requiring an invoice.
- Change the language about payment in the consumer regulations, subpart H. (Change "freight bill" to "invoice.")
- Consumer would understand "invoice" rather than "freight bill."
- Needs more discussion.

10. Attachment to Bill of Lading

- Do we want to discuss this further? This could be an email/form?
- Shippers sign this document for additional services required after loading –
 - Criminal movers often have consumers sign these documents to demand payment on delivery (so now there is a blank document that the consumer signed).
 - Consider this during the onsite discussion.

5. Recommendations:

Recommendations agreed-upon within the subgroup:

- Rights and Responsibilities
 - Remove requirement to waive right to physical copy.
 - Streamline/condense this document after the changes to other documents have been adopted.
 - Make it available earlier in the process (agreed upon, but need input from the Education Subgroup as to how).
- Tariff
 - Include the notice of the tariff in the Rights and Responsibilities and also warn about movers who don't have tariffs, or broker tariffs.
- Estimate
 - Eliminate the practice of amending the estimate ("checkbox" loophole).
- Order for Service
 - Eliminate and move critical pieces to the estimate.
- High Value Inventory
 - Keep this but add it to the bill of lading.
- Change "physical" inspection to "visual" inspection.

Items still for discussion at onsite meeting:

- Arbitration
 - Should we include it in the Estimate or in the Rights and Responsibilities?
- Estimate

- Should non-binding estimates be eliminated?
- Should date spreads be included on the estimate?
- Bill of Lading
 - Needs more discussion.
- Inventory
 - Potentially eliminate or allow shippers to waive.
 - Could utilize new technology, but requires more discussion.
- Freight Bill
 - Make it a business practice, but not required for moving consumers.
- Invoice
 - Alter the language in Part H? (i.e., change “freight bill” to “invoice.”)
- Should all documents be provided electronically?

6. Next Steps

- In person meeting May 2-4.
- The group wants to spend a lot of time in the subgroup working with these issues and bringing outstanding questions to the larger group.
- Any other suggestions on what can be included on the agenda?
 - Paraino suggested pulling out the documents to show them side by side.
 - Should we prohibit carriers from customizing documents? They often buy them from sources that allow them to modify them.
 - Maybe we should have another conversation about form documents that must be used, prescribed by government? Or a prohibition of modification of documents?
 - Possibly provide language in rights/responsibilities warning consumers that some documents may contain language that may be harmful to them?
- Ken Rodgers noted that the group covered a lot of ground today, and had an enthusiastic conversation, and hoped to bring some closure to some of these outstanding issues in the upcoming meeting.

Adjournment:

The teleconference for the Paperwork Subgroup of the Federal Advisory Committee for Household Goods Consumer Protection was adjourned at 12:00pm on Wednesday, April 12, 2017.

Attachments:

1. Presentation: Household Goods Consumer Protection Working Group, Paperwork Subgroup Meeting, April 12, 2017



Household Goods Consumer Protection Working Group

Paperwork Subgroup Meeting

April 12, 2017





Welcome and Call to Order

- Kenneth Rodgers, Designated Federal Officer (DFO)
- Julianne Schwarzer, Facilitator





Working Group Timeline

- May 2-4, 2017 – Onsite Meeting
- June 27-29, 2017 – Onsite Meeting
- June 29 – August 1, 2017 – Wrap-up Recommendations
- August 1 – September 1, 2017 – Draft Report
- September 30, 2017 – Submit Report for Concurrence Approval





Meeting Agenda

- Review of January subgroup discussions
- Continue discussions to make progress towards recommendations





Review of January Subgroup Discussions





Brochure





Brochure Subgroup

- Draft brochure key messages:
 - Verify that your mover is licensed by the Federal Motor Carrier Safety Administration
 - Make sure your mover has a good reputation
 - Before moving day, have your mover visit your residence (or storage location) to visually inspect your goods and prepare a written estimate
 - Properly insure your goods





Brochure Subgroup

- Questions for discussion
 - Should it be a traditional brochure or some other format?
 - What should be the method of delivery?
 - How does the brochure fit into the overall education plan?
 - What should it look like?
 - Consider changing the name from “Ready to Move?” to something catchier





Education





Education Subgroup

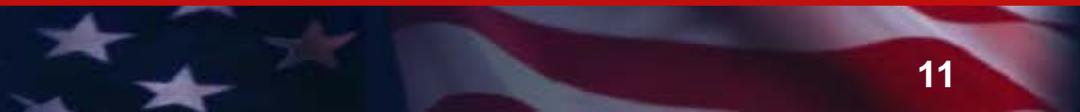
- Three focus areas:
 - What is our overall education message/strategy?
 - Who is our target audience?
 - How are we going to reach this audience?





Education Subgroup

- What is our overall education message/strategy?
 - Grab attention quickly
 - STOP acronym
 - Use graphics – traffic light or red flags
 - Catchy phrases - “Think before you leap”
 - Utilize “negative shock” messaging to grab attention
 - Highlight the reputations of the “good guys” while also scaring consumers with the “bad guys”





Education Subgroup

- Who is our target audience?
 - Target individuals experiencing life events (marriage, new job, retirement, etc)
 - Consider targeting specific age groups
 - Interstate movers only or also international movers?





Education Subgroup

- How are we going to reach this audience?
 - Utilize modern educational tools
 - Social media (i.e., Facebook, Twitter)
 - Take advantage of the HHG Protect Your Move (PYM) website
 - Utilize Google analytics year-round (not just during moving season)
 - A series of podcasts that brings someone through the moving process
 - Videos
 - Texting
 - Ombuds office?
 - Event-driven outreach
 - Bridal shows, open houses, assisted living events, partner with realty groups
 - Infographic





Education Recommendations To Date

- Request that FMCSA develop an education plan that meets specific requirements determined by the working group and focuses on the three key areas:
 - What is the overall message?
 - Who is the target audience?
 - How do we reach that audience?
- Utilize Google analytics to enable consumers to find the necessary information (PYM, social media accounts, etc)
- Provide funding to allow for Google analytics throughout the year, not just during peak moving season





Paperwork





Paperwork Subgroup

- Current Required Documents:
 - Rights and Responsibilities
 - Estimate
 - Order for Service
 - Bill of Lading
 - Inventory
 - Freight Bill
 - Invoice





Paperwork Subgroup

- Rights and Responsibilities
 - Remove requirement to waive right to physical copy
 - Could be further streamlined
 - This is a topic for further discussion
 - May want to recommend that these changes wait until the rulemaking is final
 - Could include notice of tariff





Paperwork Subgroup

- Estimate - Recommendations
 - Tariff, arbitration program, and complaint procedure could be included
 - General consensus from carriers is that consolidating these required documents is beneficial
 - Eliminate practice of amending the estimate (“checkbox” loophole)
 - Require a new estimate prior to load





Paperwork Subgroup

- Estimate – Questions for Discussion
 - Should we require all estimates to be binding?
 - Non-binding estimates are rarely used, and create problems for consumers
 - What do carriers and other stakeholders think?
 - Should date spreads be included in the estimate?
 - Many consumers don't know the exact date they are moving
 - Pricing is related to dates





Paperwork Subgroup

- Order for service
 - Eliminate this requirement
 - Cross-reference information from the order for service with the estimate to see if there anything critical that would be missing





Paperwork Subgroup

- Other recommendations for modernization
 - Allow carriers to provide these documents electronically
 - “Physical inspection” should be changed to “visual inspection”
 - Allows for the use of virtual, video-based inspections





Paperwork Subgroup

Remaining Documents (discussed during the in-person meeting):

- Bill of Lading
 - Keep but simplify
- Freight Bill
 - Most carriers combine with bill of lading
 - Potentially eliminate this requirement
- Inventory
 - Needs more discussion
 - Potentially eliminate or provide a way for shippers to waive
- High Value Inventory
 - Important – it protects carriers and consumers
 - Keep this but find better ways to get it to consumers
 - Possibly add it to the bill of lading





Discussion

