

**Federal Advisory Committee for Household Goods Consumer Protection  
Meeting Minutes for June 27-29, 2017**

The Federal Advisory Committee for Household Goods (HHG) Consumer Protection was convened for its third meeting at 9:00am on June 27, 2017, in the Conference Center of the U.S. Department of Transportation Headquarters, Washington D.C. Mr. Kenneth Rodgers, Chief of Commercial Enforcement and Investigations Division, Federal Motor Carrier Safety Administration (FMCSA) was the Designated Federal Officer (DFO). The Chairwoman of the meeting was Ms. Heather Paraino, Senior Corporate Counsel of MoveRescue.

**Working Group Members Present:**

Francisco Acuna – President, Household Goods Compliance Solutions, Inc.  
John Esparza – President & CEO, Texas Trucking Association  
Jennifer Gartlan, Esq. – Office of Consumer Affairs & Dispute Resolution Services, Federal Maritime Commission (*called in via teleconference all three days*)  
Gabriel Meyer, Esq. – Attorney Advisor, U.S. Surface Transportation Board  
Scott Michael – President and CEO of American Moving & Storage Association\*  
Heather Paraino, Esq. – Senior Corporate Counsel, MoveRescue  
Jonathan Todd, Esq. – Of Counsel, Benesch Friedlander Coplan & Aronoff LLP\*  
Charles (Chuck) White – Senior Vice President, International Association of Movers

**FMCSA Support:**

Keenan Forbes – Intern, FMCSA  
Kenneth Rodgers – Chief, Commercial Enforcement & Investigations Division and DFO, FMCSA  
Monique Riddick – Lead Transportation Specialist and Assistant DFO, FMCSA  
Michael Evans – Transportation Specialist, HHG Team, FMCSA

*The following FMCSA personnel called in to a portion of the meeting:*

James Dubose – Transportation Specialist, FMCSA  
Lawrence Hawthorne – Transportation Specialist, FMCSA  
Kirk Foster – Attorney, FMCSA

**Volpe Support:**

Dianne Gunther – Volpe Lead (*not present on the morning of the first day*)  
Erin Lohrenz – Record Minutes  
Julianne Schwarzer – Facilitator

**Others:**

Marissa Gamache – Reporter, Transport Topics (*present on the second day only*)  
Kaya Massey – Representative for Jennifer Gartlan, Federal Maritime Commission  
Paul Milotte – American Moving & Storage Association (AMSA)

*\* Scott Michael and Jonathan Todd were not present on the second day.*

## **Day 1 – June 27, 2017**

### **1. Call to Order/Introductions**

Chairperson Heather Paraino called the group to order. DFO Kenneth Rodgers welcomed the group back to the Department of Transportation, provided some opening remarks, and thanked the group for their work on the report. Julianne Schwarzer reviewed the agenda and announced the plan for the day was to work through all the outstanding issues and finalize the group's recommendations.

There was a question about the review of public comments received via an email that was directed to Rodgers, Paraino, and Scott Michael. It was decided that the group should review this on Tuesday or Wednesday, before the public comment period.

### **2. Update on Timeline and Goals**

- Paraino discussed the agenda, goals, and timeline
  - The goal of this meeting is to focus on finalizing the recommendations for the report.
  - Paraino discussed the formal process for submission: The report goes to FMCSA's legal department, then through concurrence before finally going to Congress.

### **3. Education Subgroup Report-Out: Discussion**

#### **Education Subgroup Members**

- Jennifer Gartlan
- Margaret McQueen (not present at this meeting)
- Kelsey Owen (not present at this meeting)
- Jonathon Todd
- Charles (Chuck) White

White noted that the Education Subgroup's recommendations can be broken into two main recommendations:

- 1) *Use of modern tools, platforms, and partnerships to educate consumers*
  - a. Expand this to other key stakeholder groups and bring the message to a wider array of consumers who are on the verge of moving.
  - b. The goal is to catch them on the front end of the move.
- 2) *Break the message down into a modular form to give the consumer more easily digestible bits of information to align with different phases of the moving process*
  - a. The goal is to get in touch with the consumer to educate them wherever they are along the spectrum of moving (i.e., thinking about moving; deciding to move; having problems on the front end or within the process somewhere).

Rodgers mentioned that FMCSA recently had a call with the communications department to make sure the website is being utilized. FMCSA discovered that users are not drilling down into the details of the website. This is concerning because it shows the user is not going that extra step, and is not getting all of the information. Also, the click rate is much lower than it used to

be. FMCSA might need to focus on the website design to make it clear to the consumer that they need to drill down to get to the desired information.

Two handouts were distributed:

- 1) Examples of modern communication tools
- 2) Potential module topics and content

The core recommendation is to simplify, communicate better, and provide actionable information depending on where consumers are in the process.

Rodgers and Monique Riddick, FMCSA, noted that the modules are an excellent idea, and that there are currently too many clicks required to get to the desired information on the current website.

The group then discussed other ways to modernize communication outreach and ideas to reach consumers:

- White thinks a podcast series or YouTube videos might be a good approach. We want a highly visible website with easy, short, cost-effective videos to help people understand there are a variety of ways to find the information.
- Other group members liked the multimedia concept and multifaceted approach. This should be captured in the recommendation.

It is important to use a multitude of educational tools to reach a variety of audiences:

- YouTube, podcasts, Facebook/Twitter
- Raise awareness through real-life examples
- Make the website easier to use
- Visits to college campuses
- Attention-grabbing infographics

There was discussion about trying to fit all information on one screen of the website (Ex: using a smartphone and needing to scroll)

- Suggestion to make the website mobile-friendly.
- We want to ensure that a responsive design is part of the technique—might need to bring in an expert on design.
- Jonathan Todd recommended restructuring the 9 items into 3 main areas and developing further from there for more effective messaging.

White again discussed a modular approach for a widely used education technique.

- One of the FAST Act tasks is to update electronic communication tools and educational techniques.
- This is more process-driven—the click-through process is broad and this might help make it more specific. The only concern is maintaining uniformity.

Another suggestion was a glossary of terms—the consumer is probably not familiar with most of the terminology.

Where should the glossary of terms go?

- Use of multiple forms of technology means we should put it in multiple places.
- Rights and Responsibilities has a glossary today.
- Terms are often misused—Ex: shipper and carrier.
- Fairly high level recommendation is to provide a list of terms to be made easily available to consumers.
- A definition could be embedded in a term on a website (“hover” text).
- Common moving terminology should be made available throughout the process.

Is it possible to add company websites to the “Protect Your Move” website search page in addition to just the company name?

- Ex: consumers who come across this website can plug it into the search page to find out what the company is—this is for discussion.
- This could reduce confusion for the consumer and help them avoid situations of fraud.
- Ex: There could be a pop-up message explaining why this website may not have gotten a hit.

Google Analytics focuses often on local businesses—driving customers to local businesses.

The bottom line should be that if it’s difficult to find your mover, don’t use that mover.

Is it possible to make a recommendation for Congress to address registration issues?

- Ex: “If you have a website, you need to register with us”?
- Is it possible to recommend that Congress make a statutory change?
- There are often issues where the name on the website bears no resemblance to the mover. There could be a recommendation that at least one website be tagged to the mover.
- Clarification: The group should NOT set a requirement for the mover to have a website.

Potential recommendation is to require additional information (physical address) for the company to be listed on the mover’s website (if they have a website).

- Physical address should be advertised.
- Overall burden can become cumulative; streamlining is good.
- If it becomes a regulation and is not followed, it will incur a penalty and is a violation.
- History of crook movers not having an address will build up and becomes a violation continuation.
- There is hesitancy to add more requirements that companies must follow.
- If you don’t require them to provide a physical location, they might choose not to and consumer won’t be able to tell that it is not a legitimate business.

OPTIONAL: Add “lack of address” as a red flag for brochure group to address.

*Group consensus: oppose or agree with new requirement?*

- Opposed feel this will be a cost driver and those who violate now will continue to violate later.
- Group hopes that by emphasizing red flags we will grab attention of consumers.
- The group agreed that this issue seems like it should at least be a red flag, but plans to revisit the discussion regarding adding a new requirement in the afternoon.

#### **4. Paperwork Subgroup Report-Out: Discussion**

##### Paperwork Subgroup Members

- Francisco Acuna
- Thomas Balzer (not present at this meeting)
- Thomas (TJ) Carney (not present at this meeting)
- Scott Michael

##### ***Bill of Lading and Order for Service Discussion***

The group felt they have made good progress and identified commonalities between the order for service and the bill of lading.

*Handout referenced: “Suggested Changes to the Bill of Lading Requirements”*

- *Item #1: Requirement to add telephone number and U.S. DOT number*
  - How are you determining whose name and address should be on this?
    - Putting interliner information on the document can be confusing
  - Red flags vs. point of information for consumers. It’s not necessarily bad that the truck who arrives at the move has a different name than the contractual company—maybe note as a red flag and explain.
- There are statutes that require the carrier shall not release shipment until payment is received in full.
  - Limited rules permitting extension of credit.
  - In terms of a typical move, you pay before the shipment is loaded.
  - Late payment is more freight-oriented than Household Goods.
- The group is recommending exchanging the word “freight bill” for “invoice.”
- Remove item #16: *The following five items:*
  - (i) *Penalties for late payment*
  - (ii) *The period of time for any credit extended*
  - (iii) *Service or finance charges*
  - (iv) *Collection expense charges*
  - (v) *Any applicable discount terms*
- Merge item #16 with (new) item #8: *the terms and conditions for payment of the total charges, including notice of any minimum charges.*
- Estimate is incorporated into the bill of lading.
- The group recommends keeping new item #14: *“A statement that the bill of lading incorporates by reference all of the services included on the estimate”* and removing item

#11 on order for service: “A complete description of any special or accessorial services ordered and minimum weight or volume charges applicable to the shipment.”

- Is item #15: “A statement notifying the consumer of the importance of a high value inventory and space for the consumer to list high value items” necessary in light of new item #10: “The valuation statement provided in the Surface Transportation Board's released rates order requires individual shippers either to choose Full Value Protection for your liability or waive the Full Value Protection in favor of the STB's released rates. The released rates may be increased annually by the motor carrier based on the U.S. Department of Commerce's Cost of Living Adjustment. Contact the STB for a copy of the Released Rates of Motor Carrier Shipments of Household Goods. If the individual shipper waives your Full Value Protection in writing on the STB's valuation statement, you must include the charges, if any, for optional valuation coverage (other than Full Value Protection)”?
  - The idea is that the bill of lading would be where people list their high value items.
  - Movers feel this is a form of protection—most don't want to eliminate this.
  - Some people provide the bill of lading to customers in advance of the move date.
  - High value inventory could stand alone with the inventory.
  - Many moving companies have drivers deliver it at the time of the load.
  - We are educating consumers that we are streamlining the paperwork and encouraging them to ask for the document in advance.
  - We want to protect both the carrier and the shipper; we want the moving company to have a separate document so the consumer has a protection on their contract.
  - STB has a statement informing the customer of the limit of liability of items—they must sign it.
- The group agreed to move item #15 to item #11: “Evidence of any insurance coverage sold to or procured for the individual shipper from an independent insurer, including the amount of the premium for such insurance.”
  - The groups also wants to remove the wording “space for consumer to list high value items” from item #15 and reference the “STB requirement.”
- Should there be a requirement that the mover must provide the bill of lading in advance? This would allow consumers to read it in advance, but the negative side of this would be that now there would be another requirement they need to follow (hard for small “mom and pop” companies).
  - Consumers generally receive the bill of lading on the day of the move—it would be good to have it earlier.
- There could be issues with making a new statutory requirement. Maybe a best practice would be to have it available at least 24 hours in advance.
  - One group member noted that they currently provide a copy of the bill of lading electronically and have fewer valuation disputes.
    - Do you think certain segments of the moving industry would push back?
      - There could be some push back because this will require some people to change their business practices.

- What should be recommended to ensure that the whole document is being provided? “Crooks” will sometimes leave out the terms and conditions. The group recommends that this be noted by the education group.
      - It is possible to send the estimate and bill of lading in advance to the customer, then the customer can sign it and send it back if they decide to move with that mover. Software is available commercially for this.
      - This can be captured as a “red flag.”
    - Regarding first part a), is the wording of “*partially complete*” an issue for criminals?
  - Should the carrier be required to provide their legal name vs. DBA?
    - Door markings—regulation that tells all carriers what they need to put on their vehicles says their name must be visible on the door of the vehicle (must be legal name or single trade name).
    - **Requirement is that they must provide name, address, telephone number and DOT #; option to have either legal or registered trade name.**

*Discussion on group’s recommendations for remaining documents*

- **Reaching out to industry stakeholders regarding eliminating the practice of amending estimates (checkbox loophole)**—keep this recommendation based on feedback received.
  - Puts burden on mover.
  - Bottom line—subgroup is recommending that we will eliminate the option of amending estimates. Movers must produce a whole new estimate; doing this has many more benefits to the customer over the negative aspects.
- **The group is in favor of removing the automatic waiver of a physical survey for consumers outside of 50 mile radius but not removing the option for a waiver of the survey.**
  - One group member suggested eliminating the option of a waiver completely. (i.e., No provision to waive visual survey at all so every professional interstate move must have visual or in-person survey.).
  - **The group agreed to recommend changing the wording from physical to visual.**
  - Must be visual—criminals often do email or telephone estimate.
  - Smart phone or tablet allows you to do it right there.
  - Statutory change—this might take a while.
  - In the past, group members had noted there was a market where folks don’t want the survey—they are happy filling out the form online and moving on.
    - It is important to include the value of the visual survey in the education component
- **Subgroup rejected the recommendation to add date spreads to estimate.**
- Reached out to industry stakeholders regarding allowing consumers to waive the inventory requirement.

- General consensus—inventory should be required.
- Regulations today require a very detailed, descriptive inventory.
- What consumer protection argument can we provide that this helps them?
  - Some shipments have ridiculously long inventories—consumers just sign it and don't read it
  - Criminals don't create/provide inventories.
  - Rule requires a descriptive inventory—can we adjust the language for the requirement that provides more flexibility for the consumers?
  - **Group likes the idea of still requiring an inventory.**

Rodgers reminded the group that the purpose of the Working Group is to advocate on behalf of the consumer in addition to the motor carrier. We need to ensure that what we propose does not put the consumer at a disadvantage.

- Should there be a recommendation for FMCSA to require standardized forms?
  - It would standardize the moving industry—crooks are good at creating their own documents.
  - It would help everyone in the industry to know right away that the forms are being complied with.
  - Consumers are harmed immensely from these customized documents
  - Middle ground is to have certain elements made mandatory—let's head toward more standardization by streamlining. We have talked about different things carriers might need to include on the bill of lading—let's talk about the recommendation and positive aspects of it.
  - We should strengthen provisions on the education side and red flags side specifically in reference to the documents.
  - Suggestion to include examples of criminal contracts on the website.
  - Impose stricter penalties for deviating: change the language to be more specific—that changing the required information on a document is a violation (causes a higher penalty).
  - **The group will discuss this more on Day 2. The entire group is not in favor of form documents and will consider imposing stricter penalties as an alternative.**
- Should other methods of moving (i.e., other than full service movers) be regulated?
  - FMCSA licenses brokers, freight forwarders, and motor carriers—despite broad wording in the FAST Act, FMCSA advises that this whole group is not covered in our charter for recommendations, only full service movers.
  - Suggestion that the paperwork requirements go beyond the traditional scope to include freight forwarders and brokers.
  - Recommendation wouldn't be to apply the rules to other entities but rather that we believe it should be studied either through another working group or study whether regulation of these moving services would be appropriate.
  - Based on our tasking under the charter, our target as to who must comply with regulations only protects 25% of consumers in the market (does not capture freight forwarders and brokers).



- 75% of consumers who use moving services (other than traditional full-service movers) are not protected because they use non-traditional services.
- We have discussed this before and talked about including this as an “other considerations” section instead of a formal recommendation.
- Broker definition needs to be broadened.
- **We need to get clarification on the appropriateness of including a recommendation in this report, and will come back to this discussion.**

*Kirk Foster, FMCSA, called into the meeting to help with the outstanding issue:*

- Do we want to recognize the fact that our rules cover a shrinking number of consumers?
  - A good argument could be that if the charge is to look at recommendations for paperwork required of motor carriers and shippers, this does not reference what kind of motor carriers or what kind of shippers.
  - Foster said that the Working Group needs to work within the frame of what Congress prescribed. The Charter implements the statutory language and they must stay within framework of the statute and charter. His advice is that the Working Group should not do anything outside of this.
- **Foster asked that the Working Group please put something in writing to send to him in an email so he can review and consider this further.**

## **5. Brochure Subgroup Report-Out: Discussion**

### Brochure Subgroup Members

- John Esparza
- Andrew Friedman (not present at this meeting)
- Gabriel Meyer
- Charles (Chuck) White

### *Discussion on the revisions to the key points*

The goal is to create a succinct message the consumer can relate to on the fly.

- How does this convey the message but not scare people away?
  - How do we institute shock and awe at the same time? Red flags need attention and we need to reach the consumer.
- How can this get to consumers early enough in the process?
- Brochure should be available online and any licensed mover should have a link to it on their website.
  - Is the vision that movers will provide a link to the FMCSA website where the brochure is posted, or will the actual brochure itself be shown on movers' websites?
- **Everyone is in agreement with the title “Choose Your Mover.”**

### *Discussion on suggested order of key points:*

- Moving red flags up on the list.

- #1 take your time and plan in advance.
- #2 know your rights and responsibilities
- #3 know who you are hiring (mover or broker).
- #4 know the red flags to watch out for.
- #5 use only licensed movers.
- #6 research the consumer complaint database.
- #7 read and understand the information provided by mover/broker.
- #8 understand to what extent mover/broker is responsible for loss and damages:
  - Need to make sure broker responsibilities are understood as well.
- There was an objection to the red flag that the mover should have a website.
- Add to red flags: *“lack of physical address”* or *“dedicated facility for mover.”*
- Add to red flags: *“movers refusal to provide bill of lading and terms of conditions in advance.”*

What about a direct link on FMCSA’s website? Or directly link to the PDF?

- Manipulating a PDF copy is a concern.
- If FMCSA updates its website, the link will get broken.
- If we have a certain link to a document, we advertise this and if the document changes, we can still use the same link.
- Consideration of paperwork reduction—would this place a link in lieu of distributing hard copies?

Some movers do not have hard copies of documents—their general operating processes are electronic.

Can email serve in lieu of all distribution requirements?

We need to focus on getting the information to the consumer as early as possible in the process—before they make the connection with the mover.

Reducing paperwork is the goal:

- If we update the brochure content and change the distribution timing so it is earlier in the process, then we are not adding a new requirement, just changing the timing of the requirement.
- If we add another proposal then this is a new requirement on the carrier—it should not be that burdensome. The group will come back to this discussion.

## **6. Outstanding Items for Discussion**

- 1) Suggestion on adding a requirement for an address to be posted on moving company websites
  - Opposed feel this will be a cost impact and those who violate now will continue to violate later.

- We want to make sure this is not going to add a burden by adding requirements beyond the scope of what we are trying to do—**this would be better to show as a red flag, which will grab consumers’ attention.**
  - How should we prominently display red flags or best practices other than in the brochure?
    - We can weave it into different modules—red flags should be presented via the other communication methods we have presented.
- 2) Issue with asking for bill of lading and terms/conditions in advance of moving date
- No reason not to give a complete version.
  - Simple to advocate getting information into consumers’ hands as soon as possible.
  - We have simplified the paperwork in terms of eliminating the order for service
  - What is specific trigger/timing? Do we want it issued at the time of the original/previous one?
    - We are suggesting the bill of lading be presented early in the process, before the day of load.
  - Is this going to be a burden on the professional legitimate industry to do it differently? Do we have time before we finalize this or do we have to do it now?
    - Some group members wanted to reach out to stakeholders for feedback, although they are not anticipating much pushback.
    - **Let’s move forward with this and put it in the report, and the group can revisit this during the conference call in August.**
- 3) Should others, in addition to full service movers, be regulated to protect consumers?
- 4) Should movers post a link on their website either to the “Protect Your Move” website or be able to post/provide a copy of the brochure on their own website? Any preferences?
- We can recommend that movers work with FMCSA to make this information available—**let’s revisit the link issue tomorrow.**
- 5) Would it make sense to put the 60 cents vs. full valuation coverage in the brochure?
- Suggestion to include information in the brochure to ensure the consumer understands exactly what the mover is responsible for.

## 7. Discussion of Public Comments Submitted Prior to Meeting

This section references Karen Donovan’s statement that was distributed to the group:

- The group noted that there is a lot within Donovan’s statement that might be outside of our scope:
  - Somewhere down the road we are identifying that some of what her statement addresses are threats or opportunities for us.
  - We have limited resources with which to address her issues.
  - Several members, with knowledge of her interactions with entities named in the comments, noted she did not continue to follow up after her initial contacts, and thought more might’ve been done to help.
- One group member mentioned that it is important to note that if this well-educated, knowledgeable person was scammed, then the entire public is at risk.
- Most of the issues articulated in her statement have been discussed by the group.

- She sent out a larger document recommending FMCSA remove the statement about checking with the Better Business Bureau (BBB) on your mover—she is claiming we should not be endorsing them as a resource.
- Should the working group consider her recommendation? Broaden it?
  - There are plenty of rating platforms that we can reference.
  - AARP, BBB, National Association of Realtors are all groups we work with currently.
  - Suggestion for a general recommendation to broaden partnerships (consumer protection groups, etc.).
  - BBB is primarily a complaint handling organization.
  - Consumers can use these tools to stay informed.

We might get more public participation later in the week.

## **8. Day 1 Wrap Up**

Paraino gave a recap of today's meeting.

Our objective was to go over the recommendations from each group and decide where we want to place the information in the report so we can come back tomorrow for a productive discussion.

Schwarzer discussed the agenda and goal for tomorrow.

- Tomorrow we will reconvene and begin to walk through the report to identify any gaps where we need to spend more time and fill them in.
- We will focus on the conceptual substance of the report as a group and if there is anything that needs to be changed with wording, minute details, etc. that should be given to Dianne later.

Rodgers thanked the group, and particularly thanked Jennifer Gartlan for her dedication to being a part of the group and calling in to the meeting.

## **Day 2 – June 28, 2017**

### **9. Call to Order**

Julianne Schwarzer introduced the agenda for the day. Heather Paraino called the group to order and thanked the group for their good work yesterday. She suggested focusing less on line editing today and more on ideas and concepts. Ken Rodgers then turned it over to Dianne Gunther to review the draft report.

### **10. Draft Report Review and Discussion**

Gunther began the discussion of the draft report for review by the Working Group.

#### **Executive Summary – Table 1**

Item #4: Bullet 1: Question on text “*hire dedicated staff*”—Can this be more specific to say “*FMCSA staff*”?

- Focusing it is appropriate—from the Education Subgroup’s perspective, these are target areas we are looking for extra help for; we could make this broader by adding an “etc.” at the end.
- In light of Kirk Foster’s comments, this should be part of the primary recommendation so that it is within scope.
  - In the scope of these three tasks, the task is to use state-of-the-art education technologies, including the internet—reword this to specify it as “*people with specific expertise in technologies and the internet.*”
  - Is it important to specify hiring of Federal staff or can it be contractor staff? The group decided it shouldn’t matter as long as the position filled is permanent and full time. Reword to: “*...procure full time, year round, dedicated resources with the expertise needed to implement state-of-the-art education.*”

Item #5: “FMCSA’s Rights and Responsibilities”—the pre-2013 version is considered acceptable today; the group wants the pre-2013 version to no longer be considered valid.

Item #14 – Eliminate the recommendation to create template forms.

Item #18 – Should freight forwarders providing full service moves also be included in the recommendation to provide a link to the brochure? This was held for further discussion on Day 3; there are currently no consumer protection regulation requirements for freight forwarders.

### **Definition of Terms**

- **Arbitration program**—long definition, let’s remove sentences “*a tribunal.....dispute to the arbitrator.*”
- Do we want to add “**rogue mover/operator/actor**” as a definition? There was concern about using the term “rogue mover” because it is misleading; we also may want to just remove this term from the report completely.
  - We could reference it as an operation that is not compliant with FMCSA regulations—unofficially referred to as rogue movers.
  - Let’s focus more on the activities instead of characterization—*let’s revisit it.*
- Let’s add “**valuation coverage**”—contractual agreement between mover and shipper to limit mover’s liability for loss or damage to the property being moved.
  - Movers must offer two valuation options to shippers:
    - Full-value protection coverage must be offered in initial estimate
    - A second option may be provided at a minimal \$0.60 per pound per article at no cost if they waive the full-value protection
- Should we add “**freight forwarders**”?—statutory language is specific to motor carriers—freight forwarders and brokers are entities that are licensed and governed by FMCSA—*let’s put this as a placeholder and revisit it.*

### **I. Introduction**

#### *Section 1 – Household Goods and the FAST Act*

#### *Part A: FMCSA’s Role in Regulating Household Goods Moves*

Adding a paragraph “*Household Goods Regulators*” about FMCSA and other agencies involved in HHG regulation

- There are multiple agencies that touch on HHG transportation because STB regulates tariffs
- Idea for group to consider is to say that HHG is regulated by different agencies and FMCSA’s role is vital in the context of the report

#### *Part B: Consumer Protection and the HHG Moving Industry*

Is this data (average loss claim) from all interstate moves? We might want to remove the term “*claim*”—is there other data we can include that is more related to what we are discussing in the report?

This data is based only on complaints that reached FMCSA’s office. We don’t want to overstate how bad certain activities are but still want to keep it in context.

- 3,600 complaints out of 3 million:
  - Not all of the 3,600 are moving fraud (some are delay, service failures, cargo loss or damage, etc.).
  - Consider frequency and impact—even though frequency is low, the impact is catastrophic, and we need to note this.
- Suggestion to use more anecdotal data, related to the impact of these activities on the consumer who is victimized.

The paragraph about “*anyone can be a victim*” is good. More can be said about what FMCSA has done already to prevent moving fraud.

#### *Section 2 – The Household Goods Consumer Protection Working Group*

##### *Part C: Working Group Goals and Values*

The FAST Act tasks were reordered in the report—starting with Education then going to Paperwork and then Brochure.

- Let’s say “key goals for the recommendations *ultimately* put forth...”
- Education piece: Suggestion to emphasize a year-round approach and changing the last bullet to “*enhance year-round outreach campaigns.*”
- Rodgers noted that FMCSA does educate year round, but there is a campaign season that is focused from May–September.

## **II. State of the Art Education Techniques and Technologies**

Each section relates to a recommendation put forth by the group.

#### *Section 1 – Description of FAST Act Requirements*

- Add a sentence about encouraging consumers to perform research upfront and find ways for them to be proactive: “*this working group aims to find ways to incentivize consumers up front.*”

## *Section 2 – A Modernized Approach to Communications and Outreach*

- Not necessarily a lack of public awareness—it is more a problem of consumers getting to and communicating the information.
- Maybe a lack of awareness of where to go to find the information? Let's reword to: *"despite information being available, consumers fail to utilize the available tools and information available from FMCSA and industry groups. Consumers are looking for information too late in the process, often after they have already selected a mover."*

### *Part C: Recommendation*

Add the term "*multiple*" before platforms and different strategies.

Let's discuss the second paragraph *"FMCSA needs to bring information to consumers where they are getting their information rather than relying on consumers to find the information on their own."*

- Do we want to reword this to show that consumers have to do some of the work?
- We need to recognize that we need to make the information available to consumers as tools across multiple platforms.
- What about rewording it to: *"Encourage FMCSA to better optimize the use of the internet, partnerships, and multiple platforms to bring the information to consumers....."*

## *Section 3 – Education Modules*

Emphasize that delivery of information today is more modular; show that information can be more concise—it is too lengthy for today's consumer.

### *Part C: Recommendation*

Last paragraph on page 10 referring to a glossary needs adjustment. Make it more flexible, recommending defining key terms and materials.

## *Section 4 – Education for the Moving Industry*

### *Part B: Observations*

Remove first sentence about "*full service movers*" from observations; remove the term "*full service*" from full service movers—emphasize that consumers are most likely getting their information from whomever is providing estimates.

Last paragraph in Part B—specify that FMCSA oversees the licensing process and provides New Entrant Safety Audits. *"FMCSA oversees the licensing process and other regulatory requirements"*—we want to encourage all aspects of the moving industry to act as participants in the education effort.

- Add a sentence at the end: *"FMCSA could also provide the info to more established moving companies using other tools and platforms."*

## *II. Section 5 - Additional Resources for FMCSA*

### *Part B – Observations*

Last paragraph—tone may be more negative than it needs to be—emphasize that FMCSA is doing great work already.

- “*Expertise*” specifically the need to increase state-of-the-art marketing techniques—this should be the focus.
- Contractors, for example, are a resource for the whole organization—we have dedicated staff that support the HHG program.
- The group agreed on this section conceptually, but people can suggest wording changes later on.

Further responsibilities of HHG team members include:

- Policy Development
- Curriculum Instruction
- Curriculum Development

Additionally, add an appendix with the list of courses/materials that are currently offered by FMCSA:

- Include target audience and what is covered (CECP Commercial Enforcement Consumer Protection, CECP supplemental).
- Publications (RTM, R&R, Valuation and Insurance)—these are on the website.

## **III. Paperwork Required of Motor Carriers and Shippers**

### *Section 1 – Description of FAST Act Requirements*

Item #1: Emphasize that a customer can receive up to 80+ pages of paperwork.

Item #2: Replace “*close*” with “*eliminate*” existing loopholes.

### **Paperwork Requirements Table.**

- The order should be in the sequential order of the move.
- The more we show how much the consumer is forced to deal with, the better—this initial list should be exhaustive—therefore we should show all paperwork items, not just those discussed.
- The group likes the format of the table, but the table should be expanded and reordered.
- Document descriptions look good but some words need to be adjusted.
  - Bill of lading—replace “*driver*” with “*mover*.”
  - High value inventory—remove sentence “*individual shippers should consider increased coverage for these items*”—this is more advisory than descriptive.

### *Section 2 – Your Rights and Responsibilities*

#### *Part B: Discussion*



Emphasize that the 2013 version of the document should be formally adopted.

#### *Part C: Recommendation #5*

If the Rights and Responsibilities document is updated in the future, could it just be an administrative update to adapt other statutory changes?

Although the 2013 version is improved, the original recommendation was that the mover should stop using the pre-2013 version (FR 25782 May 2):

- We should recommend that we formally adopt the 2013 version to replace the pre-2013 version.
- Also recognize that 2013 version is more streamlined and condensed.
- FMCSA should look for opportunities to further condense and streamline the document.
- Both versions are currently acceptable.
- Ask the agency to continue to look for opportunities to make this document better.

### *Section 3 – Order for Service*

#### *Part B: Discussion*

Recognize that moving companies often combine the order for service with the estimate or bill of lading; having an unnecessary duplicate document isn't productive.

### *Section 4 – Bill of Lading*

#### *Part A: Document Description*

Specify that the carrier who loads the shipment (rather than another carrier providing interlining service) must give the individual shipper a copy of the bill of lading.

#### *Part B: Discussion*

Did we decide that the working group would consolidate some other requirements with the bill of lading including the high value inventory?

- Yes, but we are still going to maintain a separate high value inventory.
- We want to incorporate terms and services by reference listed on the estimate here to further streamline it.

#### *Part C: Recommendation #7*

- Add carrier's **physical address** in addition to their telephone number and DOT #—let's make this less specific by removing "*item #1.*"
- Eliminate the requirement to provide names and addresses of other motor carriers involved in the move.
- Remove the statement that the "*Bill of Lading must state the following five items in the absence of a freight bill....*"

### *Section 5 - Estimate*

## *Part B: Discussion*

Two types of estimates can be offered.

Guidance on amending the estimate—FR 76 FR 50537. Do we want this guidance to be more formalized?—**Recommendation should be to not allow revised estimates; must issue a new estimate.**

The estimate and the bill of lading must match.

Maybe include in the description the amount you pay in a binding and non-binding estimate (included in the definition of Hostage Load).

Regarding the 110% rule—add the following language in discussion of amending an estimate—*“the amount listed on an estimate is very important because it fixes in time the amount of money that a mover can collect at the time of shipment (100% for binding and 110% for non-binding)”*—we need to explain WHY this is important.

Recommendation that if you provide a new estimate prior to load, you need to provide a record of the date, time, and manner that the new estimate was received and accepted in addition to the new estimate.

Add the phrase that the working group discussed *eliminating* loopholes in the discussion of amending the estimate.

Edit, in the discussion of amending the estimate, that the physical surveys may be inconvenient for consumers.

Phone surveys or forms filled out online are often used by rogue movers in place of a legitimate visual survey.

## *Part C: Recommendations*

Recommendation #10—

- Revise to not refer to the specific regulation—revise to say *“eliminate the automatic waiver for visual surveys for goods over 50 miles...”*
- Revise to say consumers *“must”* be given the option of a visual survey.
- Current regulation does not require waiver beyond 50 miles—mover will be the one to make the decision here.

## *Section 6 – Inventory*

Only recommendation was potentially to waive it—**moving to the “Considered but Rejected” section of the report.**

## *Section 7 – High Value Inventory*

**Move this to the “Considered but Rejected” section of the report.**

## *Section 8 – Freight Bill*

## **Recommendation to eliminate as a required document.**

- Written notice would be transferred to an invoice.
- Movers can still provide this but it should not be a required document.

### *Section 9 – Other Paperwork Requirements*

#### **Part B: Recommendations**

##### **Recommendation #13 –**

- Can we change Recommendation #13 to “*finalize the proposed rule-making*”?
- Eliminate the waiver required to receive documents electronically.

##### **Recommendation #14 –**

- Remove the recommendation that “*FMCSA should create templates for each of the required documents, and carriers should be required to use these templates.*”

## **IV. Publication ESA 03005: “Ready to Move?”**

### *Section 1 – Description of FAST Act Requirements and Working Group Goals*

Make sure it is stated upfront that the overall purpose of the brochure is to help the consumer choose a reputable mover.

In conjunction with the paperwork recommendation, instead of being delivered with the estimate, the brochure would be delivered to the customer earlier and would be moved up to when they book or waive the survey.

### *Section 3 – Brochure Distribution Materials*

Add the clarification that “*there are still printed copies available and this is acceptable for movers to provide as well.*”

#### *Part C: Recommendation #18 – Let’s tackle this with Jonathon and Scott on Day 3*

Most legitimate movers post a copy of the PDF document today. However, the concern is that at the purchasing decision point we are asking the consumer to leave the website, which can be bad for businesses.

However, this could be an educational opportunity for the consumer.

### *Section 4 – Brochure Content*

- Key points all listed in Appendix G.
- Could add a sentence that there are other points in theory to be considered.

## **V. Other Considerations**

This section is pending discussion with Kirk Foster.

Suggestion that Congress should have an additional group or focused study to address the 75% of consumers not currently utilizing full-service movers.

If there are complaints (formal or informal) then we need to recognize there is a significant portion of industry not covered with consumer protection.

- Should there be a recommendation that something be done?

Will there be industry groups who feel targeted by this?

- There could be. There are many different kinds of non-traditional movers and the market is evolving.
- This is intended to protect individual consumers, not the companies.
- There should be greater education focused toward helping consumer understand their options.

The majority of consumers don't have protection under FMCSA's regulations. This is a struggle when people call MoveRescue, FMCSA, BBB, AMSA, or other groups for help.

As the market evolves, the hope is that more attention is paid to consumers, not just businesses.

## **VII. Appendices**

*Appendix A – Working Group Members*

*Appendix B – Examples of a Modular Approach to Education*

- Removed the wording “crew in uniforms” in Module 3.

*Appendix C – Current Order for Service Requirements*

*Appendix D – Current Bill of Lading Requirements*

*Appendix E – Recommended Language for New Bill of Lading Requirements*

- Add existing regulations.
- Add an explanation that this is what we believe it will look like—there may be other changes, these are just what we are showing; we understand most of our recommendations would impact the regulations.

*Appendix F – Examples of Existing Consumer Education Materials*

Any missing appendices?

- We want to include a list of all the current FMCSA documentation and publications.
- We want to add a section for education materials currently available from FMCSA.

Rodgers believes there will be further editorial discussions but we can discuss this over the phone and incorporate missing members' thoughts and feedback.

## **11. Report Timeline/Action Plan**

Timeline outline:

- Goal is to have a final draft of the report submitted in September.
- Early August—conference call with the full group.
- Ken will work on details—document will go to the Acting Administrator, then proceed to the Office of the Secretary.
  - Ken needs to get clarification on whether this goes to the Secretary and not to Congress—he will get clarification.
- The next draft will be distributed to the group early the week of July 17.
  - Everyone should send their edits to have ready for this next draft (if they are substantial edits, send them for the following draft).
  - Comments should be sent to be incorporated 1-1.5 weeks before August call so we can edit the report to be finalized by September.
  - If comments to the draft cause a need for subgroup discussion, we can schedule subgroup calls.
- Are recommendations ever pushed forward and a consensus not reached? This is not a common occurrence. The goal for the group is to reach a consensus on the report with confidence in what they are submitting.
- In the event where there is opposition among group members, we should find a way to compromise.
- Should there be a deadline for responses from those who have not been as engaged?
  - July 28 or 31 to receive all comments
- The group will receive a copy of the final draft that will be submitted for concurrence.

## **12. Day 2 Wrap Up**

Heather Paraino provided closing remarks. The Working Group started this week with some open questions that we settled both yesterday and today. The only outstanding issue is the question of whether movers should provide a link to the brochure or a PDF of the brochure on their website. This will be finalized in the morning.

Paraino noted that she feels confident with the substance of the report and thinks that the group is in good shape.

## **Day 3 – June 29, 2017**

### **13. Call to Order**

Julianne Schwarzer discussed the agenda for the day and presented opening remarks. She noted that the public comment period would occur from 10-11am.

Heather Paraino and Kenneth Rodgers presented some opening thoughts. Paraino felt the meeting has been very productive and is happy with the draft report. She felt encouraged by the work that has been done by the group.

### **14. Outstanding items:**

#### **1. Link issue discussion:**

The group is considering two options for the link:

- Recommending a requirement that the mover have an accurate copy of the pamphlet available on the website, or
- Recommending a requirement that the mover have a link to the document on FMCSA's website.

The initial suggestion was to provide a link to FMCSA's website. One group member felt that it is perfectly fair to have a copy of the document available as an alternative. The mover would still be required to provide it to them but could also have it available so anyone perusing the website would come across it.

Another suggestion—extending requirement to brokers?

- Currently, brokers are under FMCSA jurisdiction but are not required to provide the brochure because the mover will provide it at the time of move.
- If there is a change to provide the brochure to consumers earlier, it needs to be provided when they are interacting with the broker.
- Idea is that having the pamphlet available through all 3 types of entities would help the consumer make an informed decision. Customer can then decide which model fits best with their needs and can make an informed decision.

Suggestion that these issues may be best addressed as comments in the report vs. recommendations.

The specific language is the need for “*condensing publication in a format more easily used by consumers*”—making it more accessible is the goal and making it more readily used.

- Scope perspective—because the brochure is specifically named and emphasized in the charter, this makes it acceptable to discuss broadening the mandate of distributing the brochure on the website—possible include this in comments.
- Rodgers noted that by trying to make it available to everyone, and distributing through brokers instead of just movers applies to modes outside of HHG scope (property carriers, property brokers)—this is too broad.

Keep in mind that not everyone has a website so it should not be a requirement to have a website; but in the event that a company operates with a website it should contain the brochure.

## **2. Discussion on the 75% consumer protection issue**

Based on input from FMCSA, the Working Group decided to briefly mention the issue of the 75% of consumers not protected by the regulations in the introduction and provide a footnote that explains further.

In 375.101 there are situations that the broker would hand out brochures so if these recommendations were implemented for movers, the agency could update these regulations. Would this bring them into the scope?

- We can discuss putting it in the report; we want to stay within the context of our task.
- Paraino will send some language for the report.

- Additionally, if the report becomes public, individuals can suggest things outside the scope of the report.

Ken states that we are providing our recommendations to the Secretary, who can then decide if she wants to push for any of these additional recommendations or not.

**Conclusion: There will be a recommendation to make it mandatory for movers with a website to either place the brochure on the website or provide a link to FMCSA's website in addition to providing a hard copy of the brochure. Brokers are out of this scope so they might be mentioned in a discussion but not in the recommendation.**

## **15. Public Comment Period**

No members of the public attended.

## **16. Day 3 Wrap Up**

Recap of schedule moving forward:

- The next draft of the report will be distributed by July 17.
- We are scheduling the conference call for the first week in August.
  - The purpose of this call will be to make any final revisions and then have a final version ready to go up through the chain of review for September 2017.

Monique Riddick reiterated that this report is the Working Group's report, it is not intended for FMCSA to edit the report or the recommendations. FMCSA will be submitting recommendations to the Secretary after which we will post them to the website where they will remain for a year.

The Secretary will then submit a report to Congress. Secretary may accept all or a portion of the recommendations. The Secretary may forward it to FMCSA to review and determine whether they will support the recommendations. They may not need to wait a whole year before submitting to Congress despite what is written in the FAST Act.

## **Any items of concern?**

Rodgers thinks the agency may have a concern that if there is a mandate to reduce the recommendations, we might get push back on increasing or adding recommendations.

- The group noted that they are pointing out where there are loopholes and determining better ways to put education in the hands of consumers.

As a matter of process, would the report go to Congress and if there are objections or serious problems, would these problems come from DOT or FMCSA?

- The overall recommendation that comes from this would be attached to the report from the Secretary to Congress.

## **Concluding Remarks**

Heather Paraino thanked the Working Group members and Volpe.

Kenneth Rodgers also thanked everyone, particularly the core group of 7-8 who attended every meeting. He noted that the group has accomplished what they set out to do in developing these recommendations, and they have a great foundation in terms of the report. He is looking forward to upcoming iterations and getting feedback from the group.

Several Working Group members thanked the group, and noted the following:

- They were heartened by seeing everyone from different backgrounds and coming together on the same set of goals and direction.
- They are pleased with the product.
- Now they will need to focus on “selling” the recommendation and getting support from the industry.
- They appreciated being able to share this task with the rest of the group; we have taken multiple approaches to this effort and it is not an easy task.
- They thanked each other for the overall effort.
- They look forward to the report and implementation of the recommendations.

### **Adjournment**

The third meeting for the Federal Advisory Committee for Household Goods Consumer Protection was adjourned at 10:40am on June 29, 2017.



**Certification:**

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

//Signed//

Heather Paraino

Chairwoman, HHG Consumer Protection Working Group

//Signed//

Kenneth Rodgers

DFO, HHG Consumer Protection Working Group

## **Supplemental Documentation**

1. Appendix A: Public comments from Karen Donovan, “Comments and recommendations on FAST Act §5503 areas”
2. Appendix B: Handouts for HHG Consumer Protection Working Group Meeting
3. Appendix C: PowerPoint Presentation for subgroup report-outs

## **Appendix A:**

**Public comments from Karen Donovan, “Comments and recommendations on  
FAST Act §5503 areas”**

Karen Donovan  
[Address Redacted]  
[Address Redacted]

Household Goods Consumer Protection Working Group  
c/o Kenneth Rodgers  
Federal Motor Carrier Safety Administration  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, D.C. 20590

*RE: Comments and recommendations on FAST Act §5503 areas*

Dear Members of the Household Goods Consumer Protection Working Group,

I have been following your proceedings to make recommendations, as required by Section 5503 of the FAST Act, in three areas relating to “how best to convey to consumers relevant information with respect to Federal laws concerning the interstate transportation of household goods by motor carrier.” I understand that the three areas in particular that you are examining are: (1) How to condense the FMCSA “Ready To Move” tips into a more consumer friendly format; (2) How best to use state-of-the-art education techniques (including how to optimize the use of the internet as an educational tool); and (3) How to reduce and simplify paperwork required of motor carriers and shippers in interstate transportation.

While the identified areas focus on only a portion of the issues preventing consumers from having an accurate and complete understanding of the relevant information regarding their rights and a carrier’s obligations, exploring these areas is a valuable start. These comments are intended to assist with the effort to improve the communications process and ensure that consumers have the necessary information and are able to protect themselves during an interstate move.

#### *A. Background*

It may be helpful to provide some background on my recent experience with household goods moving, the claims process, the FMCSA’s regulatory oversight, and the role of other entities participating in your working group.

In March 2016, my husband contracted with an AMSA-member carrier registered with the FMCSA to conduct household goods moves, seeking to move our belongings from Washington, D.C. to California. This company is BBB-accredited and their website touts their Better Business Bureau rating of A+ and also states that they carry all necessary licenses and insurance policies. Interestingly, the website also states that the Interstate Commerce Commission

regulates their interstate moves, but like most consumers who do not follow the intricacies of federal agencies, my husband had no way to know that this statement attesting to regulatory oversight by an agency that was disbanded twenty years ago was a potential red flag. Once again, the company is registered, and is a member of AMSA, and the BBB has given them an A+ rating.

After speaking with a representative on the phone, my husband signed a document sent to him via e-mail described as a quotation for his upcoming move, setting forth “a guaranteed price for pickup and delivery.” He was not asked to acknowledge that he received the “Ready to Move?” brochure or the “Your Rights and Responsibilities When You Move” brochure, and the document that he signed on line did not include the language required by the STB Released Rates Decisions to appear on estimate forms. He never received any FMCSA educational materials, in part because they were not offered and there was nothing in the information given to him to alert him to ask for this. An on-site inspection was never mentioned during this process, even though the representatives that my husband spoke with were approximately 20 miles away from the apartment. Because of this company’s relatively sophisticated on-line presence and their ability to transmit and receive documents electronically, he did not think that the company’s failure to mention an on-site visit was unusual.

Two weeks later, the movers from the company arrived at our apartment and, after loading the goods on the truck, they explained that additional items had increased the price of the move by approximately 28%, and they presented my husband with a clipboard with a top signature page listing the 60-cent-per-pound release as the first option and describing “option 2” as a “replacement cost policy for loss or damage” but providing no other information on this optional “replacement cost policy.” The page that he was asked to sign did not include any of the STB Released Rates Decisions language, and he was not provided with the FMCSA brochures.

About a week after the company left with our goods, we received an email stating that there had been an accident involving a fire on the trailer and we should assume a total loss. We were eventually given the name of the state where this had occurred, and after an additional two weeks of calls, we were given the name of a city, but we had to make several phone calls in order to track down the responding fire department and get a traffic report. By then, our goods had been moved out of the State, and as part of our desperate efforts to access the goods to determine if anything could be salvaged or preserved, we contacted MoveRescue and were told that we did not have a right to insist on access to the goods. Thirteen days after telling us that we should assume that all of our goods, which we value at over \$80,000, were gone, the moving company sent us an email stating that they were settling a claim with us for \$1200 plus an additional \$300 in “courtesy compensation.” This settlement email was accompanied by a list that bore little relation to the bill of lading inventory or goods that we had provided. At that point, we also had not submitted a formal claim asking for a specified sum of money.

We still do not have any of our furniture, art, bikes, rare books, or other goods, and we have filed a detailed complaint with the FMCSA noting various regulatory violations.

We also filed a complaint with the Better Business Bureau. In response to the BBB complaint, the company stated that they had settled a claim with us. We responded that we were not satisfied with that answer and that they had not resolved the issue, and we provided facts and accompanying documents to support our argument that they had not properly settled a claim and were acting illegally. The company replied by stating that they had settled a claim with us. We then responded that we were not satisfied with that answer and submitted more facts and additional documents supporting our complaint and discussing the regulations and the reasons the settlement offer was illegal. The company replied by stating that they had settled a claim, and we then provided even more facts and documents to explain why they had not resolved the issue. This went on for a few months until finally, we sued the company. At that point, the unproductive back-and-forth brokered by the BBB stopped. Before it stopped, however, we had also noted that the company's "settlement" offer not only violated several federal regulations and had no relation to the goods listed on the bill of lading, but it also violated the laws of physics because they were insisting that 86 boxes of varying sizes (small boxes, medium boxes, large boxes, bookboxes, and china boxes) each weighed 15 pounds notwithstanding their differences in size and contents. Even though we asked the BBB to make our complaint information public so that other potential customers could be warned, I cannot find it on the BBB website. I have attached the BBB complaint of another shipper who I suspect had their goods on the same truck. If anyone at the BBB had been reviewing the complaints coming in, it would be easy to note the similarities. This moving company, which does not appear to be among the largest interstate moving companies, has more than 74 complaints, including at least 57 complaints that have not been resolved in a manner satisfactory to the customer, and it has 7 negative reviews (I am counting one review labeled as "neutral" that begins with the statement "it was the worst moving experience either of us has had in many years"). The company also has an A+ rating from the BBB, which features prominently in their advertising. To their credit, during the BBB exchange, the company apologized for any inconvenience that we may have experienced during our move. Nonetheless, I question why the BBB is convinced that this company, which excels at apologizing, is trustworthy and has made a good faith effort to resolve customer complaints.

*B. It is important to focus on both the carriers and the shippers*

I commend the working group member(s) who listed the following challenges at the outset of this process: (1) Improve FMCSA enforcement abilities – identify and shut down bad movers; and (2) Better education to industry on how to operate.

In my experience, the problem is not the HHG shippers; it is the movers. It is also not necessarily the rogue movers operating without FMCSA authorization. It is FMCSA-authorized, BBB-accredited moving companies with large marketing departments and a small number of

staff devoted to compliance and claims processing and documents that are deliberately misleading or lacking in essential information.

Eighty percent of the approximately 3000 consumer complaints received annually by HHG Compliance and Enforcement Program are not hostage situations. These 2600+ complaints likely also represent only a small portion of the HHG shippers who have experienced problems during their move. While it may be helpful for Congress to understand the challenges facing the moving industry, I believe that many of these challenges are self-inflicted. The one up-side to our experience is that we no longer have anything to move and thus will likely not have to consider contracting with a professional mover in the future. Other people that I know are rightfully deeply concerned about trusting their valuable belongings to a professional moving company, and I would not advise them to do so.

I suspect that one issue with the relationship between consumers, the industry, and government, is that there are far too many companies that view the government as something to be circumvented because it stands in the way of profits and the goal of providing the consumer with minimal services at maximum cost. After our move, I advised a friend on issues she might encounter in an upcoming interstate move. She selected an FMCSA-registered company and carefully photographed and discussed her inventory, the cost of full replacement coverage, and other issues during an on-site visit. Still, on moving day, the company showed up with pre-printed paperwork and claimed that they had been told that she was waiving coverage. One box of artwork was also lost during her move and the company subsequently told her that she had to submit a claim in 90 days. Violations like these seem to be common. Another friend had a corporate-paid move across the country and experienced so many problems with a BBB-accredited, FMCSA-authorized company that she eventually was able to get a large corporation with employees throughout the United States to drop the carrier from their list of preferred movers.

### *C. Educating the industry is essential*

It is clear that the FMCSA is woefully understaffed and not adequately funded to oversee HHG moving companies, and that, as a result, there are FMCSA-registered HHG moving companies that have systems in place that violate the FMCSA regulations. Currently, the other players in this game -the BBB, States, MoveRescue, and others -are ill-equipped to help customers who are confronting licensed entities with BBB accreditations that are deliberately violating the laws put in place to protect consumers. Everybody wants to move with a reputable mover, but it is difficult to know how to determine who is reputable. I urge you to consider ways in which the BBB, MoveRescue, AMSA, and others who may have contact with consumers, can be part of an effort to ensure that both moving companies and consumers have relevant information regarding the legal requirements and their rights.

*i. AMSA should help ensure its members are educated and compliant*

The AMSA “Staying Legal” publication is a valuable resource. In fact, in my opinion, in some areas, it is more helpful for a consumer seeking to understand their rights than the “Your Rights and Responsibilities When You Move” publication. It is not clear, however, whether AMSA requires members to read the publication and demonstrate an understanding of it. AMSA could provide a valuable service to the FMCSA if it instituted a practice of regularly auditing members and examining their paperwork and possibly forcing them to attend annual training as a condition of membership. This would take a significant burden off the small staff at the FMCSA, and it could significantly improve the problems that are leading to so much consumer distrust.

At one point during our saga, after I contacted MoveRescue, I was told that I was lucky that we had moved with an AMSA member. I still do not understand that statement.

*ii. The BBB can assist the FMCSA in targeting the worst offenders*

As I noted above, the FMCSA-registered, dues-paying AMSA member that destroyed all of our stuff and then sent us a \$1500 check has an A+ rating from the BBB. This company also has been the subject of more than 74 consumer complaints filed with the BBB. I suspect that only a small portion of these consumers also filed complaints with the FMCSA. In fact, it appears that only 3 or 4 of them did. From what I have seen in examining complaints on the BBB site, movescam, and other sites, despite efforts to get the word out to HHG shippers, many consumers don’t understand the FMCSA’s jurisdiction in the area of consumer protection. If they believe that a company has lied to them or failed to provide a fair settlement, even when the company’s actions clearly violate, for example, 49 CFR 370.3 (prohibiting voluntary payment of a claim) or 49 CFR 375.707 (requiring a partial refund of freight charges when a portion of the load is lost or destroyed), they do not know that they should file a complaint with the FMCSA. Part of this could be due to the explanation in the FMCSA materials that the FMCSA cannot settle a dispute with a mover. An even larger part of it may be that too many consumers believe that the FTC, CFPB, or some other entity is the appropriate entity for a complaint about a mover who they believe is engaging in fraud or some other unfair or illegal practice.

I highly value the extremely important work that the FMCSA performs, but in my experience, most consumers are unaware that the agency exists and they don’t think to file complaints when a moving company has harmed them. If the BBB wants to really assist consumers in locating businesses that they trust, they could assist consumers in understanding where to go to ensure that businesses that they cannot trust are forced to change. One thing that the BBB could do is to have an alert message appear on the site or in the consumer’s email if certain words are used in a complaint. This message could advise a consumer, for example, that they may want to report a violation of 49 CFR 375.707 to the FMCSA if they are seeking a refund of their freight charges and the company has not provided a refund even though a portion of their goods were destroyed.



The BBB may also want to put in place a means of identifying certain patterns in the complaints that it receives and determining whether a moving company should remain on their A+ list. Making more information from the complaints that the BBB receives publicly available would also be beneficial. At this point, absent some change to the manner in which the BBB complaint and rating system is operated, the BBB is simply an enabler, rather than a productive contributor to an effort to eliminate companies that are deliberately trying to circumvent the rules and allow shippers to select a reputable moving company.

*iii. MoveRescue and AMSA should assist consumers in getting outside legal help*

While I understand that this is outside of the jurisdiction of your working group, it would be extremely beneficial to find a way to get HHG shippers the legal help that they need when something goes horribly wrong with their move. It is true that it is impossible to anticipate every situation that may arise, but MoveRescue and AMSA appear to be best equipped to address hostage situations and distribute arbitration information. For shippers whose goods are badly damaged, destroyed, or lost, and thus are not waiting to be freed, it is very difficult to find legal help to combat a company that is consistently apologetic but otherwise unwilling to properly process a claim and provide appropriate compensation. The dollar amounts at issue in these cases are often too small to attract the interest of insurance litigators and in some instances, the amounts at issue may be too large for small claims court. Arbitration is only a good low-cost option for a shipper who has a full understanding of their rights and is able to protect those rights in an arbitration.

In the future, there should be an effort to equip some of the consumer protection clinics at the law schools to assist HHG shippers who find themselves forced to examine their options for getting relief from a moving company. The second step in this process will be to let consumers know where they can go for help before it is too late. I urge you to note this problem in your report, although I realize that it is beyond the scope of the areas you were asked to evaluate. I work in an area where the relevant statutes have citizen enforcement provisions and provide concurrent authority to the states, and there is also established law regarding common law remedies. Exposure to the world of interstate HHG moving has been eye-opening and disheartening.

*D. Social media efforts should focus on getting consumers to a reliable place where they can access the information that they need*

In your discussions you have considered ways of disseminating information, including Yelp, Craigslist, and the BBB. It is true that these are very recognizable for consumers, and they are sites that consumers are likely to visit. They are also far too subject to manipulation. After our incident, I went on Yelp to let people know that our moving company had destroyed everything we gave them and was refusing to provide reasonable compensation or communicate with us. I

have noticed, however, that following a bad Yelp review like that, suddenly ten five-star reviews appear. Many of these discuss intrastate moves. It is impossible to know if they are genuine, and most consumers are unaware of the regulatory differences between an intra- and interstate move, and cannot understand that a company's ability to move a small truckload across town may not be reflective of its ability to move someone across the country and handle a claim if the goods are damaged or lost. It is doubtful that ten people in the headquarters city of our moving company suddenly experienced the perfect move after the truck carrying our goods experienced a bearing failure resulting in the destruction of everything we had provided for shipment. It is possible, but unlikely. Many people are skeptical of Yelp as a source of accurate information, and I question whether it is the best means of disseminating the very important information that HHG shippers need to understand their rights. I also question whether Craigslist is an appropriate way of providing consumers with the information that they need. As you have noted, Yelp and Craigslist can get customers where they need to go and alert them as to where they should be looking and what they need to know.

After my experience with the BBB, I have also advised other people contemplating a move not to rely on a company's A+ rating or accreditation from the BBB. I know that at least one company out there is operating in violation of more than six different FMCSA regulations, and the BBB refuses to consider this. The BBB can help consumers in understanding their rights and helping them avoid non-compliant FMCSA-registered moving companies, but at this point, the site does not do this.

Any efforts at greater use of social media should be developed with a recognition that the problematic moving companies have many people devoted to marketing and very few people devoted to claims processing and compliance. Consumers need a reliable, accurate place to access information both before a move and after something has gone wrong. Using social media to get consumers to this place and alert them that they should utilize the FMCSA complaints process as appropriate may be beneficial. Outside of that, I question how you can use Yelp or Craigslist, or other sites to assist consumers. As one Working Group member has noted, fancy websites, and great Yelp reviews do not indicate that a company provides quality services.

The FMCSA and STB websites likely could be improved to provide this information concisely, and in a way that consumers can easily understand, and Yelp, Facebook, Craigslist, and other sites may play a role in directing consumers where they need to go. I encourage using them for this purpose.

*E. The FMCSA website information on individual companies should be more user friendly*

While it may be outside the jurisdiction of this workgroup, one means of ensuring that consumers have accurate information about a carrier is to provide more details on the carrier's performance and history of FMCSA complaints on the FMCSA website. The SMS portion of

the FMCSA website provides information on crashes and vehicle maintenance issues, but unless a carrier has an unsatisfactory rating, it is difficult for an average consumer to discern from this site whether the carrier has problems in relation to their peers or has a troubling history of maintenance issues. There must be a more user-friendly means of conveying whether, for example, a vehicle out of service rate above 25% is good or a cause for concern. There must also be ways of providing more information on the specific maintenance issues that have been noted. Also, while it is not necessarily reflective of a company's performance, most consumers may want to know how many complaints the FMCSA has received on a company and any affiliated companies and also know the specific conduct alleged in these complaints. The FMCSA currently provides numbers and categories, but if the complaints that it has received have cited the specific regulatory sections that have been violated (as ours did this), or provided specific details that can be used to identify the particular regulatory section, it would be even more helpful to include this.

#### *F. Simplifying the Ready To Move information*

The checklist form of the "Ready To Move" document is helpful, but it probably can be shorted and rearranged to highlight the information that consumers need. Letting people know they should use a registered mover and get an estimate in writing is important, but there are likely many companies with proper registration and BBB accreditation that are not complying with the requirement for on-site estimates and that are using documents that do not include the language required by the STB Released Rates Decisions. All of the following should be featured prominently, at the top of a checklist or on the first page of the document:

1. Shippers are entitled to an on-site assessment to avoid unanticipated price increases

The document should inform the consumer that the company is required to visit and conduct an on-site assessment (or get a written waiver) and it should explain that this is done to ensure that the estimate is accurate and there are no surprises on the day of the move.

2. Shippers have a right to see a company's tariff and understand their rates and charges

Letting a consumer know that they can, and should, request a tariff and get a full understanding of the basis for the company's full value charge so that they can compare this to the cost of insurance is also be helpful. It appears that the full valuation charge that some companies are quoting is deliberately high and is intended to discourage HHG shippers from selecting full valuation coverage. It would be helpful for AMSA or some other organization to let shippers know the average charge used by companies, so that they have a reference point to understand whether further questions are necessary. I understand that there may be legal issues with compiling and providing this information, but consumers should be able to know if a company's full value protection charge is ten times the rate used by a competing company so that they can ask about this. It may be outside of the jurisdiction of this working group, but it would be very beneficial to HHG consumers if moving companies were required to make their published tariffs

available on their websites. They are, after all, required to be published. This would at least allow the consumer the ability to compare charges. The tariff is already required to be provided upon request, and making it available on the website should require minimal effort for most carriers.

### 3. Shippers are required to be provided with information on valuation charges

If there is a concise way of alerting a consumer that a moving company is required to have the STB language on the documents that they sign, this may be the easiest means of ensuring that shippers understand the valuation options. One point that should be highlighted is that a moving company is required to offer full (replacement) value coverage with no deductible and to quote a price for this that is easy to understand. The STB valuation statement is intended to explain this, but it would be helpful to provide this information as early as possible to a customer and to let them know that this requirement should be reflected on the bill of lading. The document currently lets them know that the load should be adequately insured. Letting them know that one means of doing this is through full value coverage, and letting them know that this must be offered, would be beneficial. While it is outside of the jurisdiction of this workgroup, to the extent it is possible, it may also be helpful to require moving companies to take at least one form of outside insurance, so that HHG shippers are not forced to rely on homeowners or other policies for coverage. I am aware of situations where carriers have refused to participate in certain third party moving insurance programs.

I urge you to be cognizant while you develop your recommendations that there are likely many consumers that have been misled about their valuation options and have never filed an FMCSA complaint or brought this to the attention of a regulator because they did not understand their other options and believed that their rights were limited.

### 4. Letting consumers know where to go if they have a complaint

In explaining what a consumer should do if they have an issue, it may also be helpful to not only explain that the customer can file a complaint with the FMCSA, but also to explain that the FMCSA will address complaints about documents, unfair charges, and other situations in addition to hostage situations. As noted above, too many consumers believe that the FTC, CFPB, or some other agency is the appropriate entity for a complaint about a mover who is not abiding by the terms of their bill of lading or is engaging in other conduct perceived as fraudulent, and it may be helpful to let consumers know where not to go, along with informing them that the FMCSA can pursue an action against a company.

Consumers should also be provided with information on the relevant state agency to contact. For each state, the documents could be tailored according to that state, or, alternatively, contact information for each relevant state agency could be on a single form.

## 5. Details and where to seek assistance in filing a claim

The document should also discuss the consumer's right to file a claim with the moving company, noting in particular that the company cannot provide a period of less than 9 months for submission of a claim. This would be a simple sentence –“A company cannot force you to file a claim less than 9 months after your goods are damaged or lost.” The current “Your Rights” document inaccurately states “You Must File a Written Claim within 9 months of delivery.” The statute, 49 USC § 14706(e), states that “a carrier may not provide by rule, contract, or otherwise, a period of less than 9 months for filing a claim against it.” If a carrier has failed to set forth a claims filing limit, or has illegally stated that a shipper must file a complaint within 90 days, I do not read this section as requiring a shipper to submit a claim 9 months after delivery, although it is advisable for the shipper to do so. The current “Your Rights” language is also silent on the rights of consumers who do not have their items delivered because they are destroyed or disappear during transit. I hope that we are a relatively small class of shippers, but a simple change to the statement could also address this –e.g. “The mover cannot force you to file a claim in a period less than 9 months from the date that you goods are delivered in damaged condition or less than 9 months from the date that your goods were supposed to be delivered if they never arrive. The purpose of this requirement is to allow you sufficient time to compile the information necessary to submit a claim.”

Letting a customer know that a company should not voluntarily send them a settlement before they have filed a claim would also be helpful. The claim form of the mover that we used states that a claim must be submitted within 90 days, and I believe that this BBB A+ rated company has a regular pattern and practice of sending shippers “settlements” with checks marked with accord and satisfaction language, within a short period of receiving information indicating the customer may have a complaint. It is outside of the jurisdiction of this working group, but there should be effort made to ensure that a shipper is not precluded from pursuing their rights in a situation where they cash a check that was provided as part of an illegal settlement offer.

Thank you for considering these comments. HHG moves are emotionally difficult, and it is critically important to ensure that people understand their rights and responsibilities when they are contracting with a professional moving company. I commend you for taking on this important task, and I am available to provide further comments and appear at future meetings.

Sincerely,

/s/

Karen Donovan

## **ATTACHMENT**

From BBB website

7/5/2016

Delivery Issues

### **Complaint**

Dear Sir/Madam: I would like to lodge a complaint, and seek your intervention for a viable solution with Moving Company, \*\*\* \*\*\*. I am sorely disturbed at the business practices and the treatment I have received... from this company. On 3/\*\*/2016 I made a reservation with the company Moving Company to move my personal belongings from Brooklyn, NY to Phoenix, AZ. The pick-up was scheduled for April \*\*, 2016. I informed me that based on the proposed delivery dates of between April \*\* and May •, 2016, they would give me a \$50.00 discount, which brought the total cost of the move to \$1,350 - which I paid. The movers did indeed pick up my belongings on March \*\*, 2016. Unfortunately, approximately one month later, I was informed by via email that there was a "mechanical malfunction" and that my items were damaged and being held in Alabama. They indicated that they would have an update within 24-48 hours, which they provided via email. This communication informed me that my items were in a fire and that although the fire had been extinguished by the fire department, my belongings had sustained water damage and were being held in Alabama. I was not given any proof (pictures, reports, etc. of said fire) to corroborate story. The email also stipulated that I complete a claim itemizing my property and the cost and value of everything that was included. I completed the claim form and although there is simply no way I can place a value on a lifetime of belongings, I provided my closest estimate of \$5,000. As of today, May \*\*, 2016, (almost two months later) continues to tell me that my belongings are inaccessible to me and that they will ultimately be returned to a storage facility in New Jersey; and at that point I will have access to any "\*\*\*\*\*". This is certainly not a solution, as I am now relocated to Arizona. has also informed me that after receiving my claim form, my case was promptly closed and that I would receive a check for \$1000. This \$1,000 offer is an insult. Not only does it not cover the cost of the move – for which I have received no services – it clearly does not compensate me for my life possessions. I am utterly dismayed at the debacle this company made of my move and what's more, their resolution to this matter has been inadequate. This is not an experience that anyone having all the cares of a relocation should experience or endure. I am in a very awkward and unfavorable position, because I have no clothes or personal belongings and am living in a new city. I am asking your intervention, because I have no other recourse with this company. Your assistance in this matter is highly anticipated. I can be reached at the number below. Thank you. \*\*\*\*\* ####-####-#### \*\*\*\*\* (Show Less of Complaint)

### **Desired Resolution**

I would like my items delivered, compensation for my belongings for the itemization value of \$4905, and a full refund in the amount of \$1350

### **Consumer Business Dialog Business**

We are very sorry for the experience the customer had. Thus far, the customer has been awarded \$1,000.00. The customer's claim is still in progress.

### **Consumer**

as the attached letters I am unsatisfied with the decision to award me \$1000.00 dollars for DESTROYING my life's accumulations while in the care of... moving co, that does not even cover the cost of the initial move which was \$1350, my items were at least \$6000.00 and I have had to be without my things (clothes, shoes, books, personal items, bed, equipment etc) for months.

### **Business**

We are very sorry for the experience the customer had. The customer received a settlement for their claim, was awarded courtesy compensation as well, and is receiving a refund of the move cost.

## **Appendix B:**

### **Handouts for HHG Consumer Protection Working Group Meeting**

# Handouts for HHG Consumer Protection Working Group Meeting

June 27-29, 2017

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**Education Subgroup Report-Out**  
**Ideas for How to Modernize Communications/Outreach**

1. YouTube/Videos - short tips, scam red flags, stories from victims - visual storytelling, highlight reel of what to look out for
2. Find established “How To” or “Ask the Expert” podcasts to pitch FMCSA tips to, position as expert
3. Infographics - topics could include: red flags of a rogue mover, scam story examples, what to do if you fall victim, how to file a complaint, how to choose a mover
4. Google AdWords campaigns for moving related keywords
5. PSAs - video and radio media campaign around moving month, wedding season, etc.
6. Facebook presence/Twitter presence - engage with consumers, join Twitter chats and be the expert, use Facebook Ads to target different demographics
7. Raise awareness through scam examples/personal stories, create one unified hashtag to use on Twitter and throughout platforms that use hashtags.
8. Make website easier to use (and mobile and SEO friendly) by having FAQs broken out with simple answers, similar to [identitytheft.gov](https://www.identitytheft.gov). Show a step by step on how to choose a mover, how to file a complaint, list other industry experts like AMSA and BBB to assist with the “doing your homework” part of finding a mover.
9. Position brand ambassadors on college campuses to help spread the word on how to “protect your move”

**Education Subgroup Report- Out**  
**Suggested Guidance for Education Modules**

- 1) Mod 1 – I’ve made my decision to move. What’s next?
  - a. Where am I moving to?
  - b. When am I moving?
  - c. Will I use a professional mover? If so.....then.....
- 2) Mod 2 – How do I make an informed decision on a mover? What questions do I need to ask?
  - a. Are they properly licensed and insured? How/Where can I find that information?
  - b. References? How do I find references on prospective movers?
  - c. Will they provide some form of an in-home estimate?
  - d. Will they provide a written estimate of the cost? Binding or non-binding?
  - e. Do they provide Valuation protection?
  - f. What steps are taken to protect your home?
  - g. Did your mover talk about spread dates, and do you understand what that means?
- 3) Mod 3 – What to look for and expect on Moving Day.....
  - a. Is the crew in a uniform?
  - b. Does the truck have the logo of the mover or the company you were informed would assist in the process?
  - c. Were you provided with a signed copy of the inventory of items picked up in the move?
  - d. Did you agree on a deliver date or spread of dates before the driver leaves your residence?
  - e. Do you have in-transit contact information with the driver/company?
- 4) Mod 4 - What to look for and expect on Delivery Day.....
  - a. Were you shown copies of certified weight tickets upon request?
  - b. Is the payment requested no more than 10% of the estimated cost (binding estimate)?
  - c. Was a final home walk through performed?

**Brochure Subgroup Report-Out**  
**Brochure Recommendations – Updated June 5, 2017**

**Objective:** Condense FMCSA publication/pamphlet ESA 03-005 (“Ready to Move?”) (rev. April 2006) into a format that is more easily understood by consumers.

**Background:**

- Current brochure has too much information
- New brochure will be designed to be distributed to consumers prior to the move
- We believe that brochure is not getting to the consumer at the right time--it needs to get to the consumer prior to selection of a mover
- We believe that consumers do not understand the difference between movers and brokers. The revised brochure needs to clearly outline guidance on this.
- Key lesson from the new brochure will be “choose your mover carefully”

**I. Possible working titles**

**Current working title: “Choose Your Mover”**

Other options considered:

1. Ready to Choose Your Mover?
2. How to Choose Your Mover

Note: There was a discussion of the use of the term “moving company” vs. “mover.” “Mover” is probably more commonly used. “Moving company” might be too wordy and might suggest a full-service mover vs. a broker.

**II. Key points**

1. Take your time and plan in advance
  - a) Do: Get **written** estimates from multiple movers
  - b) Don't: Wait until the last minute
2. Know your rights and responsibilities
  - a) Review <https://www.fmcsa.dot.gov/protect-your-move>
3. Use only licensed movers
  - a) Check FMCSA website to confirm registration
  - b) For local moves, or within a single state, check with the applicable state government entity, usually the public utility commission, department of transportation, or state trucking/moving association.
4. Check the mover's complaint history
  - a) FMCSA: <https://www.fmcsa.dot.gov/protect-your-move/select-mover>
  - b) Any applicable state-licensing authorities
  - c) Ask for and check references, and get recommendations from friends, neighbors, your real estate agent, the Better Business Bureau, and others.
5. Read and understand all information provided by each mover
  - a) Understand what services the mover will provide

- b) Understand how and when pickup and delivery will occur
  - c) Ask questions if you're confused
  - d) Make sure everything is in writing, including your estimate
- 6. Red flags to watch out for
  - a) Refusal to provide physical (or visual) survey
  - b) Mover demands large cash deposit up-front
  - c) Refusal to put all terms and conditions in writing
  - d) Mover asks you to sign blank documents
  - e) Price seems too good to be true.
  - f) Lack of physical address or facilities for mover
  - g) Lack of DOT license number on paperwork
- 7. Understand to what extent your mover is responsible for loss or damage to your goods
  - a) Ask your mover to explain coverage options
  - b) Ask about the process for handling loss and damage claims
- 8. Know if you are hiring a mover or a broker--a broker arranges your move with a mover, but does not take responsibility for your actual move
  - a) A broker is an individual or company that **arranges** for the transportation of your property, utilizing movers to make the actual move. Brokers' services may add to the cost of your move.
  - b) A broker is not a mover. A broker does not assume responsibility for, and is not authorized to transport, your household goods.
  - c) Brokers do not have moving trucks or professional movers. Brokers for interstate moves are required to use only movers that are registered with FMCSA.
  - d) If you use a broker, be sure you understand their role, and what mover will be responsible for your actual move.
  - e) If you don't know if you are dealing with a mover or a broker, ask!

### III. Admin Notes

- 1. Brochure to be made available both online and in paper format
- 2. Proposal: All licensed household goods movers and brokers to be required to prominently display link on their websites to this brochure.
- 3. The proposed language in Section II, above, is to be included in an appendix to this Committee's final report to Congress.

### IV. Parking lot issues

- 1. For Education Group: Clarify with mover before moving day, whose truck will pick up your goods (i.e., if mover is farming out move to a sister-entity, or is leasing an unmarked truck due to limited capacity)
- 2. Understand that delivery dates often cannot be confirmed in advance--particularly for small loads that fill only a portion of a moving van.
  - a) The concept of "date spreads" has been a topic of discussion for the Education Subgroup as well.
- 3. Perhaps include a dictionary of 5-10 important moving terms. Most people do not know or understand transportation trade terms and how they are used or what they mean. Example: shipper, broker, insurance v. carrier liability, mover, van line, etc.

- a) The Education subgroup discussed adding a glossary of terms to the website. The full Working Group will discuss the best place for a glossary of terms (the brochure or the website). The brochure could also link to a website page.

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## Brochure Subgroup Report-Out

### Brochure Recommendations – Tracked Changes Version

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#### **Background:**

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#### **I. Possible working titles**

##### **Current working title: “Choose Your Mover”**

##### **Other options considered:**

3. Ready to Choose Your Mover?
4. How to Choose Your Mover

Note: There was a discussion of the use of the term “moving company” vs. “mover.” “Mover” is probably more commonly used. “Moving company” might be too wordy and might suggest a full-service mover vs. a broker.

#### **II. Key points**

9. Take your time and plan in advance
  - a) Do: Get **written** estimates from multiple movers
  - b) Don't: Wait until the last minute
10. Know your rights and responsibilities
  - a) Review <https://www.fmcsa.dot.gov/protect-your-move>
11. Use only licensed movers
  - a) Check FMCSA website to confirm registration
  - b) For local moves, or within a single state, check with the applicable state government entity, usually the public utility commission, department of transportation, or state trucking/moving association.
12. Check the mover's complaint history
  - a) FMCSA: <https://www.fmcsa.dot.gov/protect-your-move/select-mover>
  - ~~b) Better Business Bureau~~
  - ~~e)b)~~ Any applicable state-licensing authorities
  - ~~d)c)~~ Ask for ~~recommendation~~ and check references, and get recommendations from friends, neighbors, ~~and~~ your real estate agent, the Better Business Bureau, and others.
  - ~~e) Ask for and check reference from movers~~

13. Read and understand all information provided by each mover
  - a) Understand what services the mover will provide
  - b) Understand how and when pickup and delivery will occur
  - c) Ask questions if you're confused
  - d) Make sure everything is in writing, including your estimate
14. Red flags to watch out for
  - a) Refusal to provide on-site physical (or visual?) inspection survey
  - b) Mover demands large cash deposit up-front
  - c) Refusal to put all terms and conditions in writing
  - d) Mover asks you to sign blank documents
  - e) Price seems too good to be true.
  - f) Lack of physical address or facilities for movers mover
  - g) Lack of DOT license number or motor carrier ID on paperwork
15. Understand your mover's responsibilities to what extent your mover is responsible for loss or damage to your goods
  - a) Ask your mover to explain coverage options ~~and~~
  - a)b) Ask about the process for handling loss and damage claims
16. Ask Know if you are hiring a mover or a broker--a broker arranges your move with a mover, but does not take responsibility for your actual move
  - a) ~~A moving broker is an individual or company that arranges for the transportation of your large property, utilizing for hire carriers movers to provide make the actual truck transportation.~~
  - b)a) Moving brokers are sales teams that book move. Brokers' services may add to the cost of your move ~~and sell it to an actual moving company.~~
  - e)b) A moving broker is not a mover. A broker does not assume responsibility for, and is not authorized to transport, your household goods.
  - d)c) Brokers do not have moving trucks or professional movers. Brokers for interstate moves are required to use only movers that are registered with FMCSA.
  - e)d) If you use a broker, be sure you understand their role, and what moving company mover will be responsible for your actual move.
  - f)e) If you don't know if you are dealing with a mover or a broker, ask!

### III. Admin Notes

4. Brochure to be made available both online and in paper format
5. Proposal: All licensed household goods movers and brokers to be required to prominently display link on their websites to this brochure.
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4. For Education Group: Clarify with mover before moving day, whose truck will pick up your goods (i.e., if mover is farming out move to a sister-entity, or is leasing an unmarked truck due to limited capacity)
5. Understand that delivery dates often cannot be confirmed in advance--particularly for small loads that fill only a portion of a moving van.

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- a) The concept of “date spreads” has been a topic of discussion for the Education Subgroup as well.
  - 6. Perhaps include a dictionary of 5-10 important moving terms. Most people do not know or understand transportation trade terms and how they are used or what they mean. Example: shipper, broker, insurance v. carrier liability, mover, van line, etc.
    - a) The Education subgroup discussed adding a glossary of terms to the website. The full Working Group will discuss the best place for a glossary of terms (the brochure or the website). The brochure could also link to a website page.

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**Paperwork Subgroup Report-Out**  
**Suggested Changes to the Bill of Lading Requirements**

**§ 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. A bill of lading may be combined with an order for service to include all the items required by § 375.501 of this subpart. You must furnish a partially complete copy of the bill of lading to the individual shipper before the vehicle leaves the residence at origin. The partially complete bill of lading must contain all relevant shipment information, except the actual shipment weight and any other information necessary to determine the final charges for all services performed.

(b) On a bill of lading, you must include the following ~~1644~~ items:

(1) Your name, ~~and address, telephone number, and DOT number, or the name and address of the motor carrier issuing the bill of lading.~~

~~(2) The names and addresses of any other motor carriers, when known, who will participate in transportation of the shipment.~~

~~(3) The name, address, and telephone number of your office (or the office of your agent) where the individual shipper can contact you in relation to the transportation of the shipment.~~

~~(24)~~ The form of payment you and your agents will honor at delivery. The payment information must be the same that was entered on the estimate ~~and order for service.~~

~~(35)~~ When you transport on a collect-on-delivery basis, the name, address, and if furnished, the telephone number, facsimile number, or e-mail address of a person to notify about the charges. The notification may also be made by overnight courier or certified mail, return receipt requested.

~~(46)~~ For non-guaranteed service, the agreed date or period of time for pickup of the shipment and the agreed date or period of time for the delivery of the shipment. The agreed dates or periods for pickup and delivery entered upon the bill of lading must conform to the agreed dates or periods of time for pickup and delivery entered upon the order for service or a proper amendment to the order for service.

~~(57)~~ For guaranteed service, subject to tariff provisions, the dates for pickup and delivery, and any penalty or per diem entitlements due the individual shipper under the agreement.

~~(68)~~ The actual date of pickup.

~~(79)~~ The company or carrier identification number of the vehicle(s) upon which you load the individual shipper's shipment.

~~(840)~~ The terms and conditions for payment of the total charges, including notice of any minimum charges.

~~(944)~~ The maximum amount you will demand at the time of delivery to obtain possession of the shipment, when you transport under a collect-on-delivery basis.

~~(102)~~ The valuation statement provided in the Surface Transportation Board's released rates order requires individual shippers either to choose Full Value Protection for your liability or waive the Full Value Protection in favor of the STB's released rates. The released rates may be increased annually by the motor carrier based on the U.S. Department of Commerce's Cost of Living Adjustment. Contact the STB for a copy of the Released Rates of Motor Carrier Shipments of Household Goods. If the individual

**Commented [GD(1):** Potentially confusing to the consumer

shipper waives your Full Value Protection in writing on the STB's valuation statement, you must include the charges, if any, for optional valuation coverage (other than Full Value Protection).

(1~~13~~) Evidence of any insurance coverage sold to or procured for the individual shipper from an independent insurer, including the amount of the premium for such insurance.

(1~~2~~4) Each attachment to the bill of lading. Each attachment is an integral part of the bill of lading contract. If not provided elsewhere to the shipper, the following ~~three~~two items must be added as an attachment to the bill of lading.

(i) The binding or non-binding estimate.

~~(ii) The order for service.~~

(iii) The inventory.

~~(13) Any identification or registration number you assign to the shipment.~~

~~(14) A statement that the bill of lading incorporates by reference all of the services included on the estimate.~~

~~(15) A statement notifying the consumer of the importance of a high value inventory and space for the consumer to list high value items.~~

~~(16) The following five items:~~

~~(i) Penalties for late payment~~

~~(ii) The period of time for any credit extended~~

~~(iii) Service or finance charges~~

~~(iv) Collection expense charges~~

~~(v) Any applicable discount terms~~

**Commented [GD(2):** From the order for service

**Commented [GD(3):** Keep this language, or copy from Item 11 on the order for service (with some minor edits)?

**Commented [GD(4):** Recommended during the discussion of high value inventory

**Commented [GD(5):** This is from the freight bill. Should this be included? Merged with Item 8?

(c) ...

**Paperwork Subgroup Report-Out**  
**For Reference: Current Order for Service Requirements**

**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. The order for service must contain the information described in the following 15 items:

- (1) Your name and address and the FMCSA U.S. DOT number assigned to the mover who is responsible for performing the service.
- (2) The individual shipper's name, address, and, if available, telephone number(s).
- (3) The name, address, and telephone number of the delivering mover's office or agent located at or nearest to the destination of the shipment.
- (4) A telephone number where the individual shipper/consignee may contact you or your designated agent.
- (5) One of the following three entries must be on the order for service:
  - (i) The agreed pickup date and agreed delivery date of the move.
  - (ii) The agreed period(s) of the entire move.
  - (iii) If you are transporting the shipment on a guaranteed service basis, the guaranteed dates or periods for pickup, transportation, and delivery. You must enter any penalty or per diem requirements upon the agreement under this item.
- (6) The names and addresses of any other motor carriers, when known, who will participate in interline transportation of the shipment.
- (7) The form of payment you and your agents will honor at delivery. The payment information must be the same that was entered on the estimate.
- (8) The terms and conditions for payment of the total charges, including notice of any minimum charges.
- (9) The maximum amount you will demand at the time of delivery to obtain possession of the shipment, when you transport on a collect-on-delivery basis.
- (10) A statement of the declared value of the shipment, which is the maximum amount of your liability to the individual shipper under your Full Value Protection for the replacement value of any household goods that are lost, damaged, destroyed, or otherwise not delivered to the final destination. If the individual shipper waives, in writing, your Full Value Protection liability, you must include a copy of the waiver; the Surface Transportation Board's required released rates valuation statement; and the charges, if any, for optional valuation coverage (other than Full Value Protection). The released rates may be increased annually by the motor carrier based on the U.S. Department of Commerce's Cost of Living Adjustment.
- (11) A complete description of any special or accessorial services ordered and minimum weight or volume charges applicable to the shipment, subject to the following two conditions:
  - (i) If you provide service for individual shippers on rates based upon the transportation of a minimum weight or volume, you must indicate on the order for service the minimum weight- or volume-based rates, and the minimum charges applicable to the shipment.

- (ii) If you do not indicate the minimum rates and charges, your tariff must provide you will compute the final charges relating to such a shipment based upon the actual weight or volume of the shipment.
- (12) Any identification or registration number you assign to the shipment.
- (13) For non-binding estimates, your reasonably accurate estimate of the amount of the charges, the method of payment of total charges, and the maximum amount (no more than 110 percent of the non-binding estimate) you will demand at the time of delivery to relinquish possession of the shipment.
- (14) For binding estimates, the amount of charges you will demand based upon the binding estimate and the terms of payment under this estimate.
- (15) Whether the individual shipper requests notification of the charges before delivery. The individual shipper must provide you with the fax number(s) or address(es) where you will transmit the notifications by fax transmission; e-mail; overnight courier; or certified mail, return receipt requested.

## **Appendix C:**

**PowerPoint presentation for subgroup report-outs**



# **Household Goods Consumer Protection Working Group**

## **Third In-Person Meeting**

**June 27-29, 2017**





# Welcome and Call to Order

- Heather Paraino, Chairperson
- Kenneth Rodgers, Designated Federal Officer (DFO)





# Ground Rules / Housekeeping

- Review Working Group ground rules
- Housekeeping items
  - Building information
  - Start/stop/break times
  - Public comment period will be held on Thursday, June 29 at 10:00 AM







# Update, Timeline, and Goals

- June 27-29, 2017 – Onsite Meeting
  - Wrap up recommendations
- July-August
  - Finalize report
- September
  - Working Group will submit report to FMCSA
- After September
  - Report will go through FMCSA concurrence, will be submitted to OST, and then to Congress
  - The Working Group may be called upon to answer questions



# Meeting Agenda and Goals

- Day 1
  - Subgroup report-outs
  - Resolve outstanding issues
- Day 2
  - Review report and fill in gaps
  - Report timeline action plan
- Day 3
  - Public comment period
  - Summary, concluding thoughts, and next steps



# Education





# Education Subgroup Report-Out

- One recommendation has been split into two:
  - **Recommendation #1** – Develop and maintain modern communications tools, platforms, and partnerships to educate consumers.
  - **Recommendation #2** – Develop Education modules that are short and digestible, and aligned with the different phases of the moving process.





# Education Subgroup Report-Out

- Two handouts:
  - Examples of modern communications tools.
  - Potential module topics and content.
- These will be provided in the report as examples.
- FMCSA should not be limited to what appears on the list; the list of examples provides guidance.

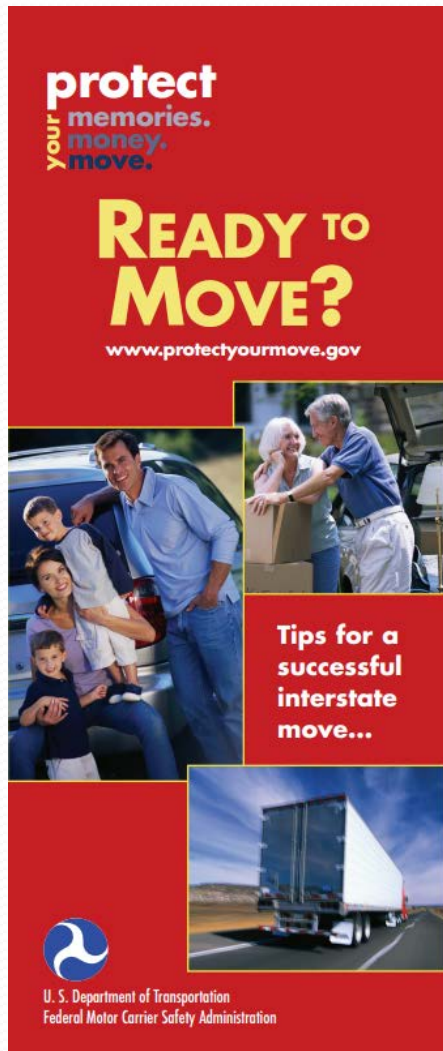




# Outstanding Issues / Discussion Items

- Glossary of Terms
  - This recommendation came up in both the Brochure and Education subgroups.
  - Where should it go? What terms should be included?





# Brochure







# Brochure Subgroup Report-Out

- Some revisions were made to the Key Points (see handout) based on feedback from the Working Group.
  - Terminology: “mover” vs. “moving company.”
  - Some minor language changes to further streamline and clarify.
- Should the Key Points be rearranged?
  - Placing the vetting/background-screening information at the top of the list gets information in the hands of consumers before they are victimized.





# Brochure Subgroup Report-Out

## **Suggested Order:**

1. Use only licensed movers.
2. Check the mover's complaint history.
3. Red flags to watch out for.
4. Know your rights and responsibilities.
5. Take your time and plan in advance.
6. Know if you are hiring a mover or a broker.
7. Read and understand all information provided by each mover.
8. Understand to what extent your mover is responsible for loss or damage to your goods.



# Outstanding Issues / Discussion Items

- Are you comfortable with the current suggested brochure topics?
- Do you agree with the suggestion to change the order?





# Paperwork





# Paperwork Subgroup Report-Out

- Bill of lading discussion
  - Handout: Markup of suggested changes.
  - Keep the status quo regarding when it should be provided to the customer (not when the order for service is currently provided).
  - Should the carrier be required to provide their legal name (not DBA)?





# Paperwork Subgroup Report-Out

- Reached out to industry stakeholders regarding eliminating the practice of amending estimates (checkbox loophole).
  - Many were in favor of this recommendation.
  - One person said it would cause difficulty for his business.
  - Some others were comfortable with the suggestion from a technical standpoint, but had concerns about what the new process would look like on move day.
  - Paperwork subgroup proposes keeping this recommendation based on the feedback they received.



# Paperwork Subgroup Report-Out

- In favor of removing the automatic waiver for a physical survey for consumers outside of a 50-mile radius.
  - Consumers should be given the option of a virtual survey if they live far away.
- Rejected the recommendation to add date spreads to the estimate.
  - Recommended that the Education Subgroup consider the topic of date spreads for consumer protection outreach/education.





# Paperwork Subgroup Report-Out

- Reached out to industry stakeholders regarding allowing the consumer to waive the inventory.
  - All who were contacted felt that the inventory should be required because it protects both the consumer and the mover.
    - Working Group members will share the feedback they received.
  - The subgroup was undecided. This issue will be discussed and put to a vote.







# Paperwork Subgroup Report-Out

- Discussed but did not reach consensus on the following:
  - Should FMCSA create standard forms?
  - Should the group recommend that the regulations apply to others in addition to full-service movers?







# Outstanding Issues / Discussion Items

- Should the consumer have the ability to waive the inventory?
- Should the bill of lading require the carrier's legal name (not DBA)?
- Should FMCSA create standard forms?
- Should the group recommend that the regulations apply to others in addition to full-service movers?





# Outstanding Issues Round-Up and Concurrence

