

FMCSA ISSUES RULE ENHANCING HOUSEHOLD GOODS CONSUMER PROTECTION

The U.S. DOT Federal Motor Carrier Safety Administration (FMCSA) has issued an interim final rule specifying how interstate household goods (HHG) movers and brokers must assist their individual customers shipping household goods.

“This rule promotes fair dealing by movers and provides consumers with the necessary information to make educated decisions about moving their belongings across state lines,” said FMCSA Administrator-Designate Annette M. Sandberg.

The new rule requires that interstate HHG carriers provide written estimates, have an arbitration program for individual shippers, deliver goods on agreed upon dates, publish truthful advertisements containing their name and DOT number, and weigh shipments of customers given non-binding cost estimates.

Household goods brokers will be subject to the same advertising requirements as movers, and movers will be bound by the estimates of brokers with whom they have written agreements.

The beginning compliance and enforcement date for this interim final rule is March 1, 2004.

Under the rule, the most a carrier may demand is 100 percent of a binding estimate before delivery or 110 percent of a non-binding estimate at the time of delivery. If a mover determines additional services are necessary to properly service a shipment after the household goods are in transit, the new rule requires that a shipper be informed before the additional services are performed. Consumers must sign a written attachment to the contract if they agree to pay additional service charges.

Moving companies must also furnish five documents to their prospective shippers before they execute a contract for a shipment of household goods. These five documents are a brochure called “Your Rights and Responsibilities When You Move”; a concise and accurate written estimate of charges; a summary of the mover’s arbitration program; the mover’s customer complaint and inquiry handling procedure; and the mover’s tariff containing rates, rules, regulations, classifications, or other provisions that allow shippers to determine the exact rates and services applicable to their shipments.

HHG carriers found in violation of the Federal Motor Carrier Commercial Regulations (FMCCR) are subject to civil penalties. Carriers may be subject to a minimum of \$500 per day per violation. FMCSA has the authority to rescind a HHG carrier’s operating authority in certain instances, including failure to provide proof of adequate insurance. HHG carriers that repeatedly violate the FMCSA’s Federal Motor Carrier Commercial Regulations could be subject to a court order that prohibits carrier officials from continuing to operate. FMCSA also coordinates its investigation and enforcement activities with the USDOT’s Office of the Inspector General, FBI, and attorneys general.

FMCSA estimates there are approximately 4,000 active HHG carriers in the U.S. and about 600,000 interstate moves annually. Interstate moves represent 40 percent of all moves that take place annually. The remaining 60 percent represent self-haul, intrastate, corporate, and government moves that are not regulated by the federal government or were deregulated by the Interstate Commerce Commission Termination Act of 1995 (ICCTA).

FMCSA already investigates patterns of mover regulatory noncompliance when it appears that serious violations of commercial regulations have taken place. Previous enforcement action taken by FMCSA, for serious violations of Federal commercial regulations, has resulted in the prohibition of carriers from operating, the assessment of civil penalties, and jail time for company officials.

FMCSA does not have statutory authority to resolve loss and damage consumer complaints, settle disputes against a mover, or obtain reimbursement for consumers seeking payment for specific charges. Consumers are responsible for resolving disputes involving these HHG matters. Consumers have the right to take HHG motor carriers and brokers to court. FMCSA has no authority to intervene in the enforcement of a court judgment.

The rule also is on the Internet and can be viewed at the FMCSA website www.fmcsa.dot.gov. A copy of the rule is available from the Association office upon request.