

Attachment A

INFORMATION COLLECTION ANALYSIS Practices of Household Goods Brokers, RIN 2126-AA84

Current Information Collection Burden

- Household Goods Broker (HHG) Transactions - Current § 371.3 - 15 minutes per day per household goods broker, 240 workdays per year = 60 hours per household goods broker times 690 household goods brokers = 41,400 hours per year.
- Original Business Accounting System - Setting up the first accounting system for a new business is a usual and customary business practice. The PRA regulations at 5 CFR 1320.3(b)(2) allow FMCSA to calculate no burden when the agency demonstrates to OMB that the activity needed to comply with the specific regulation is usual and customary.
- Separate accounting system - Current § 371.13 - one time, first year cost to set up a separate accounting system, 8 burden hours times 125 new entrant household goods brokers each year equals 1,000 annual hours burden. First accounting system
- Current information collection burden under the PRA estimated to be 42,400 annual burden hours across the approximately 690 HHG property brokers subject to current 49 CFR Part 371.

Proposed Information Collection Burden

- Website and Advertisement Information - New section 371.107 – One time, first year burden to set up web page and advertisement with required information – 15 minutes times 690 HHG brokers equals 172.5 annual hours (we round decimals up to the next whole number), thus 173 annual hours in the first year. 32 hours each year thereafter based on an average of 125 new entrant HHG brokers.
- List and Statement - New section 371.109 – One-time, first year burden to set up a list and statement to provide to prospective individual shippers – 15 minutes times 690 HHG brokers equals 173 annual hours in the first year, 32 hours each year thereafter based on average of 125 clients of new entrant HHG brokers each year.
- Federal Consumer Protection Information – New section 371.111 – FMCSA proposes the HHG broker provide one of three alternatives means of providing Federal Consumer Protection Information to individual shippers. The separate regulatory evaluation for the proposal only estimated the least costly alternative for HHG brokers, providing a link on their websites. This PRA analysis, however, provides estimates for all three alternatives based on a reasonable estimate that 90 percent of the HHG brokers will provide the link only, 5 percent will distribute the current copies of the two FMCSA booklets, and the remaining 5 percent will distribute the current copies of the authorized, lawful motor carrier's two modified booklets.

- o Adding Hyperlinks on HHG Broker Website to FMCSA Booklet Information “Ready to Move” and “Your Rights and Responsibilities When You Move” - New section 371.111(a)(1) – FMCSA projects HHG brokers will use the paragraph (a)(1) option 90 percent of the time, so no recurring cost to distribute the booklet. One-time, first year burden to set up an internet home page with links to FMCSA’s booklets “Ready to Move...” and “Your Rights and Responsibilities When You Move” –
 - First year - 30 minutes times 90 percent of 690 HHG brokers equals 311 annual hours in the first year.
 - Recurring - 30 minutes times 90 percent of 125 HHG brokers equals 57 annual hours in subsequent years.

- o Distribute FMCSA’s Booklets - New section 371.111(a)(2) – FMCSA projects HHG brokers will use the paragraph (a)(2) option 5 percent of the time. FMCSA projects an average of 100,000 moves each year, so this option (b) would account for 5,000 booklets distributed (100,000 times 5 percent). The broker would then download FMCSA’s booklets “Ready to Move...” and “Your Rights and Responsibilities When You Move” and distribute copies to each client – 15 minutes times 5,000 copies equals 1,250 annual hours.

- o Distribute HHG Carrier’s Booklets - New section 371.111(a)(3) – FMCSA projects HHG brokers will use the paragraph (a)(3) option 5 percent of the time. FMCSA projects an average of 100,000 moves each year, so this option (c) would account for 5,000 booklets distributed. Obtain and distribute the authorized motor carrier’s booklet “Your Rights and Responsibilities When You Move” and FMCSA’s brochure “Ready to Move...” and distribute copies to each client – 15 minutes times 5,000 copies equals 1,250 annual hours.

- o Shippers Signed and Dated Statement - New section 371.111(b) & (c) – Shippers to provide a signed and dated statement indicating that they have received the required information from the HHG broker. The HHG broker would have to place a form on its website to be printed and signed and then would have to retain the signed document for three years. The costs to shippers arising from this process would include downloading and printing the form on their own printers, checking appropriate boxes, signing the form, placing it in an envelope, affixing a stamp, and mailing it. (100,000 moves per year using HHG brokers × 15 minutes per statement for the shipper’s time = 25,000 per year.) The costs to the HHG broker arising from informing the shipper of the necessity to fill out the statement, receiving the statements, filing them, and emptying the files after they have been retained for 3 years would be approximately 4,140 burden hours. (690 HHG brokers × ½ an hour per month × 12 months per year = 4,140 per year.) The combined burden hours for proposed 371.111(b) & (c) to shippers and HHG brokers is approximately 29,140 hours per year.

- Travel to shipper locations within 50 air miles from HHG broker's location and physically survey household goods - New section 371.113 – This provision requires HHG brokers conduct an *on-site* physical survey of all household goods, if the household goods are located within a 50 air-miles radius of the HHG broker or its estimating agent. HHG brokers would provide estimates based on this physical survey, unless either: 1) the shipper is more than 50 miles from the HHG broker's office; or 2) the shipper explicitly waives its right to a physical survey of the household goods. We estimate that *ten percent* of all household goods shipments are within a fifty air-mile radius of the HHG broker, and of that group, HHG brokers are providing no physical surveys of household goods. Further, we assume a *quarter* of the relevant group would simply waive their right to an on-site physical survey.

Given these three parameters, that leaves about 7.5% of all HHG broker estimate-
transactions ($10\% \times (1 - 25\%)$) affected by this proposal. If we assume each affected
broker has 290 prospective clients each year, then about 15,000 ($690 \times 7.5\% \times 290$)
on-site physical surveys are necessary.

We expect that each inspection will take 2.5 hours to complete—comprised of two
hours of travel and one-half hour to inspect. Thus, the total additional burden hours
needed to complete the 15,000 on-site physical surveys of HHG is about 37,500.

- Written agreement with HHG motor carrier - New section 371.115 – One time, first
year burden to set up written agreement with FMCSA-authorized motor carrier to
provide estimates - 4 hours times five motor carriers equals 20 hours per broker times
690 HHG brokers equals 13,800 annual hours in the first year, 2,500 hours each year
thereafter based on an average of 125 new entrant HHG brokers.
- Disclose policies - New section 371.117(a) – disclose in advertisements and client
agreements cancellation policy, deposit policy, and policy to refund deposited funds
in the event order for service is cancelled. One-time, first year burden to set up
internet home page with cancellation policy, deposit policy, and policy to refund
deposited funds – 15 minutes times 690 HHG brokers equals 173 annual hours in the
first year, 32 hours each year thereafter based on average of 125 new entrant HHG
brokers clients each year.
- Disposition of shipper's cancel request - New section 371.117(b) – records showing
shipper's request to cancel a shipment and disposition of each request. FMCSA
projects 500 shipments will be cancelled each year. 30 minutes to record shipper's
request and file proof of delivery to the individual shipper of the check or money
order or proof individual shipper cashed check or money order – 30 minutes times
500 cancellations equals 250 annual hours.

- Carrier Operating Authority Status Check New section 371.119 – inspect, verify and document the intended motor carrier’s USDOT number and MC number (operating authority) status in the FMCSA’s database system at website (www.protectyourmove.gov). We propose to require HHG brokers to use this website to periodically confirm that the motor carriers whose services they engage for transportation are currently registered with FMCSA. We assume that this process will take about 10 minutes per month per broker. Therefore, we estimate this burden to be about 1,300 annual burden hours. (690 active HHG brokers × 10 minutes × 12 months ÷ 60 minutes per hour = 1,380 hours rounded up to 1,400 burden hours)

Table 1 below summarizes and provides old and new burden totals for the above analysis.

Table 1

Type of Burden	Proposed Section	First Year Burden	Annual Hourly Burden	New Burden?
Household Goods Broker Transactions	Old 371.3	41,400	41,400	No
Separate accounting system*	Old 371.13	1,000	1,000	No
Website and Advertisement Information	371.107	173	32	Yes
List and Statement	371.109	173	32	Yes
Adding Hyperlinks on Household Goods Broker Website to FMCSA Booklet Information “Ready to Move” and “Your Rights and Responsibilities When You Move”	371.111(a)(1)	311	57	Yes
Distribute FMCSA’s Booklets	371.111(a)(2)	1,250	1,250	Yes
Distribute Household Goods Motor Carrier’s Booklets	371.111(a)(3)	1,250	1,250	Yes
Shipper’s Signed and Dated Statement	371.111(b)&(c)	29,140	29,140	Yes
Travel to location within 50 air miles of broker and physically survey household goods	371.113	37,500	37,500	Yes
Written agreement with household goods motor carrier	371.115	13,800	2,500	Yes
Disclose cancellation, deposit, and refund policies	371.117(a)	173	32	Yes
Disposition of shipper’s cancel request	371.117(b)	250	250	Yes
Carrier monthly operating authority status check	371.119	1,400	1,400	Yes
	“Old” Burden Hours	42,400	42,400	
	New Burden Hours	85,420	~73,450	
Total Burden Hours for This Information Collection		127,820	115,850	

* FMCSA believes setting up the first accounting system for a new business is a usual and customary business practice. The PRA regulations at 5 CFR 1320.3(b)(2) allow FMCSA to calculate no burden when the agency demonstrates to OMB that the activity needed to comply with the specific regulation is usual and customary. FMCSA believes this supporting statement demonstrates that setting up an accounting system is a usual and customary practice when starting a new business. FMCSA seeks comments from the public about this assertion.

