

**Department of Transportation
Office of the Chief Information Officer**

SUPPORTING STATEMENT

**HOUSEHOLD GOODS CONSUMER INFORMATION PROGRAM
ASSESSMENT STUDY**

Part A. Justification

1. Circumstances that make collection of information necessary.

Every year, close to 40 million Americans move according to the U.S. Census Bureau. The American Moving and Storage Association (AMSA)¹ estimates that the movement of household goods accounts for 85.3 percent (%) of revenues generated in the overall moving and storage industry.² According to the latest Census Mobility statistics, 2.89 million households³ moved interstate in 2005, accounting for approximately 19 percent of the moving population.

As Americans continue to migrate across State boundaries, many will require moving services. The vast majority of moving companies are legitimate businesses providing household good moving services to consumers. However, the presence of a small percentage of “rogue” or dishonest household goods movers⁴ has created a problem for both consumers and the industry at large. These rogue operators, unlike well-established companies, pose as licensed household goods brokers or movers to take advantage of consumers. Since the elimination in 1995 of the former Interstate Commerce Commission, which served as the regulating body for carriers of household goods, there has been an increase in consumer complaints in this area. This may also be attributed to the increased usage of the Internet, making it easier for consumers to become the target of moving scams. Moving complaints, however, are not just confined to rogue movers. Many moving problems result from misunderstandings between the moving company and the consumer.

To address the increase in household goods problems related to interstate moves, Congress enacted the Motor Carrier Safety Improvement Act of 1999 (MCSIA) (Public Law 106-159, 113 Stat. 1748; December 9, 1999) (Attachment A) and authorized the Federal Motor Carrier Safety Administration (FMCSA) to regulate carriers transporting household goods in interstate commerce. FMCSA, in turn, published the Household Goods (HHG) Consumer Protection Regulations as an interim final rule in 2003 and implemented an accompanying enforcement policy. The final rule published on July 12, 2005 (70 FR 39949) (Attachment B) specified how motor carriers transporting household goods in interstate commerce must assist

¹ AMSA is a national trade association that represents more than 3,500 members from all facets of the moving and storage industry including agents, forwarders, independent carriers, international movers, suppliers, and van lines.

² This is based on the 2005 Industry Market Analysis conducted by AMSA. Office and institutional moves and electronic and trade show moves make up the remaining 14.9 percent of the \$10 billion in revenues generated by the industry.

³ The Current Population Survey conducted by the U.S. Census Bureau estimated a total of 7.44 million individuals (ages 1+) migrated interstate in 2005. The household figure of 2.89 million was calculated by applying the 2005 Census estimate of an average of 2.57 persons per household (7.44 M/2.57= 2.89M).

⁴ To be consistent with household goods moving industry terminology, “movers” refer to the moving service providers/companies, while “shippers” refer to the consumers.

their individual customers who ship household goods. Congress also enacted the Household Goods Movers Oversight Enforcement and Reform Act of 2005 as part of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (Public Law 109-59, 119 Stat. 1144; August 10, 2005) to strengthen consumer protection. To meet SAFETEA-LU requirements and to better protect consumers from household goods mover fraud, FMCSA expanded its education and outreach activities. Section 4212 of SAFETEA-LU (Attachment C) directs the Secretary to require a household goods broker to provide shippers with the following information whenever the broker has contact with a shipper or a potential shipper:

1. The broker's DOT number.
2. The FMCSA pamphlet titled, "Your Rights and Responsibilities When You Move."
3. A list of all motor carriers providing transportation of household goods used by the broker and a statement that the broker is not a motor carrier providing transportation of household goods.

Section 4209 of SAFETEA-LU (Attachment D) adds new civil penalties for unlawful broker estimating practices and increases existing civil penalties for providing motor carrier or broker services subject to FMCSA jurisdiction without being registered with FMCSA.

The Household Goods Consumer Information Program was established in February 2005. The goal of the program is to provide necessary information to consumers to help them make more educated and informed decisions when planning a move. Consumers are often neither aware of their rights and responsibilities nor of which resources to consult if they encounter a problem or need information, such as whether a moving company is properly registered with the U.S. Department of Transportation (DOT).⁵ They may also not be aware of publications, such as "Your Rights and Responsibilities When You Move," that carriers are required to provide, or of other materials from the "Protect Your Move" Campaign, which were developed by FMCSA in partnership with State and industry representatives.

In recent years, the Government Accounting Office (GAO) has issued a number of reports on FMCSA's outreach activities, which included the HHG Consumer Information Program. Key recommendations from these recent GAO reports have resulted in the need for FMCSA to evaluate the effectiveness of the HHG Consumer Information Program to determine how well the program is achieving its expected results or outcomes and to describe how outreach activities support broader household goods program goals (Attachment E).⁶

The authorities to conduct studies pertaining to the Household Goods (HHG) Consumer Program are located in 49 U.S.C. § 13301, "General Powers of the Secretary of Transportation (Attachment F), and 49 CFR § 1.73, "Delegation to the Administrator of the Federal Motor Carrier Safety Administration (Attachment G)."

In response to GAO recommendations, FMCSA is conducting a program assessment of the HHG Consumer Information Program. The objective of the study is to evaluate the outreach process and determine the extent to which the target population (consumers moving household goods interstate) have been reached or have knowledge of HHG information from FMCSA/DOT or its

⁵ All interstate moving companies are required to be licensed by FMCSA and insured.

⁶ GAO-06-103, "Education and Outreach Programs Target Safety and Consumer Issues, but Gaps in Planning and Evaluation Remain."

partnership.⁷ The study also supports the DOT Strategic goals of Mobility and Organizational Excellence. To complete this study, FMCSA is looking to collect necessary data through a general awareness survey of consumers who moved interstate.

2. How, by whom and for what purpose is the information used.

The data collected for the HHG Consumer Information Program Assessment study will be used by the DOT and FMCSA to measure the public's awareness and knowledge of messages and/or materials (e.g., brochures) related to moving household goods interstate. This may include outreach and education activities around moving fraud, household goods regulations, consumer rights and responsibilities, the "Protect Your Move" campaign, and other HHG-related messages. Results from the analysis of this initial data collection will provide a national baseline for FMCSA to benchmark against in future evaluations. The data collection will also address GAO recommendations that FMCSA determine whether consumer information is reaching the target population. Analysis of the data will be conducted at the national level, as well as within specific targeted markets or States where FMCSA has strengthened its outreach efforts.

Finally, the study will help gather information about the interstate moving population. It will provide insight on how HHG shippers make their decisions in selecting a household goods moving company and what resources they use to conduct their search. This feedback will allow FMCSA to identify opportunities to improve its outreach program by better targeting potential consumers and designing the most effective mechanisms to reach different segments of the population. The findings will also be useful to other organizations in State and local government, industry, or consumer groups that are interested in promoting awareness about interstate household goods moving services. FMCSA plans to conduct a follow-up awareness survey to the public two years after the initial data collection and compare results against the baseline assessment.

3. Extent of automated information collection.

A computer-assisted telephone interview (CATI) system will be used to conduct the telephone survey. The survey questionnaire will be programmed in the CATI system to guide the interviewers through the interview questions in a consistent manner. The software will also help to randomize the sample, manage callbacks, and serve as a tool for the data collection, analysis, and reporting. In addition to promoting consistency across interviews, the tool will enable interviewers to conduct the survey more efficiently, reducing burden on the respondents. Zero percent (0%) of the responses will be collected electronically.

4. Efforts to identify duplication.

Since FMCSA's HHG Consumer Information Program was recently started in 2005, there is insufficient existing information that can be used for the purpose of this study. FMCSA has conducted some market research⁸ studies previously, and the Census Bureau and industry trade associations have produced statistics related to interstate moves, but these studies are limited in

⁷ The HHG Partnership is made up of Federal agencies, as well as trade associations, consumer groups, and government entities at the State and local level.

⁸ FMCSA *Protect Your Move: Household Goods Situation Analysis* (Burson-Marsteller).

scale and do not provide information needed by FMCSA in this program assessment. However, findings and information from previous studies were evaluated and utilized as background research for the design of this study.

Most recently, FMCSA conducted a survey as part of a study to review the arbitration process related to household goods. The purpose and scope of the survey, however, differ significantly from this study. The goal of the data collection was to gain a better understanding of consumer experience in the HHG arbitration process and identify gaps in arbitration within the HHG moving industry. Additionally, the study was focused on a limited segment of the interstate moving population, mainly those who have filed a complaint against a moving company and have gone through arbitration. FMCSA's HHG Consumer Information Program Assessment, on the other hand, encompasses a much broader population.

5. Efforts to minimize the burden on small businesses.

No small businesses will be surveyed in this study; therefore, there will be no impact on small businesses or other small entities.

6. Impact of less frequent collection of information.

Congress and GAO have also expressed a need for FMCSA to assess its outreach programs and be able to quantify the results. Without the data collection, FMCSA will not be able to determine whether its outreach activities are reaching the target population and whether the population finds the activities and outreach materials useful.

Furthermore, since FMCSA has never assessed the HHG Consumer Information program, it will be important to establish a baseline measurement that can be compared against future evaluations.

7. Special circumstances.

There are no special circumstances related to this information collection.

8. Compliance with 5 CFR 1320.8.

FMCSA published a notice in the Federal Register with a 60-day public comment period to announce this proposed information collection on September 26, 2007 (72 FR 54712) (Attachment H). One comment (Attachment I) was received in response to the notice that did not specifically address the burden imposed by this ICR. The FMCSA reply to the respondent is provided at Attachment J).

FMCSA published a notice in the Federal Register on January 17, 2008 (73 FR 3319) (Attachment K) with a 30-day public comment period that announced this information would be sent to OMB for approval.

9. Payment or gifts to respondents.

No payments, gifts, or incentives will be involved in this study.

10. Assurance of confidentiality.

Each study respondent will be given an assurance of confidentiality in the form of a non-disclosure statement at the beginning of the survey. Respondents will be informed that their participation in the survey is voluntary and that their individual responses will not be reported. Response records will be coded numerically and results will be aggregated and reported in a non-attributional manner. The data collected will only be used to provide statistical summaries.

11. Justification for collection of sensitive information.

There will be no sensitive questions asked of respondents involved in the study.

12. Estimates of burden hours for information requested.

Response burden is estimated at 15 minutes per respondent to answer the telephone survey questions. The estimated annual burden for this information collection activity is **375 hours** [1,500 respondents x 15 minutes/60 minutes to complete telephone interview for the study = 375]. The information collection will be collected during the first year after OMB approval is obtained and again two years following the initial data collection.

Type of Respondent	Number of Respondents	Frequency of Response	Average Time per Response	Annual Hour Burden (Year 1)	Annual Hour Burden (Year 2)	Annual Hour Burden (Year 3)
Household Goods Shippers ⁹ / Consumers	1,500	1	15 minutes	375 hours	0 hours	375 hours

Estimated Total Annual Burden Hours: 250 average hours [1,500 respondents x 15 minutes/60 minutes per response x 2 telephone interviews/3 years ICR approval timeframe = 250].

Estimated Annual Number of Respondents: 1,500.

Estimated Annual Number of Responses: 1,500.

According to the recent figure released by the Bureau of Labor Statistics, the seasonally adjusted average hourly earning was \$17.16 in February 2007.¹⁰ The total annual cost to respondents for

⁹ Household goods shippers refer to people who use moving services (consumers).

participating in the survey is **\$6,435** [1,500 respondents x 15 minutes/60 minutes to complete survey x \$17.16 per hour = \$6,435].

13. Estimates of total annual costs to respondents.

There are no costs to respondents other than the costs of burden hours described in Item 12, as the study does not involve any capital, operating, or maintenance costs.

14. Estimate of cost to the Federal government.

Estimated cost to the Federal Government for research services from Booz Allen Hamilton related to the awareness survey of the HHG Consumer Information Program Assessment study is approximately \$218,000.

15. Explanation of program changes or adjustments.

This program change increase of 375 burden hours is due to a new collection of information.

16. Publication of results of data collection.

The results of the information collection will not be published, but documented as part of the *Household Goods Program Assessment Final Report* to be delivered to and maintained by FMCSA for internal research purposes.

Project Time Schedule

Activity	Time Schedule
Initiation of telephone survey collection process	1 month after OMB approval
Completion of data collection	2 months after OMB approval
Data tabulations	3 months after OMB approval
Data analysis	4 months after OMB approval
Final Report	4 months after OMB approval

17. Approval for not displaying the expiration date of OMB Approval.

No such request is being made. An OMB expiration date will be displayed on all documents involved in this study, whether electronic or paper.

18. Exceptions to certification statement.

There are no exceptions to the certification for Paperwork Reduction Act submission in this study.

Attachments

¹⁰ This is based on results of monthly Current Employment Statistics survey (or establishment survey) completed in February 2007.

- A. Motor Carrier Safety Improvement Act of 1999 (MCSIA) (Public Law 106-159, 113 Stat. 1748; December 9, 1999).
- B. Final Rule entitled "Transportation of Household Goods; Consumer Protection Regulations," (70 FR 39949), July 12, 2005.
- C. Section 4212, SAFETEA-LU, Public Law 109-59, 119 Stat. 1144, August 10, 2005.
- D. Section 4209, SAFETEA-LU, Public Law 109-59, 119 Stat. 1144, August 10, 2005.
- E. GAO-06-103 report entitled, "Education and Outreach Programs Target Safety and Consumer Issues, but Gaps in Planning and Evaluation Remain.
- F. 49 U.S.C. 13301, "General Powers of Secretary."
- G. 49 U.C.S. 1.73, "Delegation to the Administrator of the Federal Motor Carrier Safety Administration," July 3, 2000.
- H. 60-day comment request Federal Register notice (72 FR 54712), September 26, 2007.
- I. Comment to 60-day comment request Federal Register notice, September 26, 2007.
- J. FMCSA reply to 60-day Federal Register notice comment.
- K. 30-day comment request Federal Register Notice (73 FR 3319), January 17, 2008.