

## Household Goods Sections of SAFETEA-LU

On August 10, 2005, Congress enacted the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law 109-59. The Act authorized the Federal surface transportation programs for highways, highway safety, and transit for the 5-year period of 2005-2009. Title IV of SAFETEA-LU also includes Subtitle B – Household Goods Transportation which enacted the **“Household Goods Movers Oversight Enforcement and Reform Act of 2005.”**

FMCSA has fully implemented the following Household Goods sections in SAFETEA-LU:

- 4202. “Definitions; Application of Provisions.”** This section defines “household goods motor carrier” and “individual shipper.”
- 4205. “Household Goods Carrier Operations.”** This requires all estimates must be in writing. Also, if the household goods to be moved are located within a 50-mile radius of the carrier or its agent, then a physical survey must be conducted unless the shipper signs a waiver.

Binding estimates must provide that the carrier and shipper are bound by the estimate. The carrier can charge a fee for providing a written binding estimate.

Non-binding estimates must indicate that the charges will be based on the actual weight of the shipment and the carrier’s lawful tariff. In addition, carriers are required to provide the publications “Ready to Move” and “Your Rights and Responsibilities When You Move.”

- 4207. “Liability of Carriers Under Receipt and Bills of Lading.”** This provides full value protection for carrier liability under receipts and bills of lading. This means that unless the shipper waives full value protection in writing, a carrier’s maximum liability for household goods that are lost, damaged, destroyed or otherwise not delivered to the final destination is equal to the replacement value of such goods, subject to a maximum amount equal to the declared value of the shipment and to rules issued by the Surface Transportation Board and applicable tariffs.
- 4208. “Arbitration Requirements.”** This increases the threshold of arbitration from \$5,000 to \$10,000 and provides that arbitration is now available to resolve disputes regarding payment of additional charges exceeding those paid at delivery.
- 4209. “Civil Penalties Relating to Household Goods Brokers and Unauthorized Transportation.”** This section:
- Subjects household goods brokers to a \$10,000 minimum civil penalty per violation for making estimates before entering into agreements with the carrier providing transportation; and
  - Provides for new civil penalties for unauthorized transportation in the amount of not less than \$25,000 for each violation.
- 4210. “Penalties for Holding Household Goods Hostage.”** This section established the following penalties for failure to give up possession of household goods:

- A civil penalty of not less than \$10,000 for holding a household goods shipment hostage. Each day may constitute a separate violation.
- Operating authority of a carrier or broker may be suspended for no less than 12 months or no more than 36 months. The force and effect of such suspension may extend to entities having the same ownership or operational control as the suspended carrier or broker.
- A criminal fine under title 18, United States Code or imprisonment for not more than 2 years, or both.

The section also defines “failure to give up possession of household goods” as the knowing and willful failure, in violation of a contract, to deliver to or unload at, the destination of a shipment of household goods for which charges have been estimated by the carrier and for which the shipper has tendered payment under title 49, United States Code section 13707(b)(3)(A).

If additional information regarding this material is needed, please call FMCSA’s Commercial Enforcement Division at 202-385-2400.