

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

**SUPPORTING STATEMENT**

**TRANSPORTATION OF HOUSEHOLD GOODS; CONSUMER PROTECTION**

**INTRODUCTION**

The Federal Motor Carrier Safety Administration (FMCSA) requests the Office of Management and Budget's (OMB) approval of a revised information collection request (ICR) entitled, "Transportation of Household Goods; Consumer Protection," covered by OMB Control Number 2126-0025, and currently due to expire on October 31, 2013. The ICR is being revised due to a Direct Final Rule entitled, "Transportation of Household Goods in Interstate Commerce; Consumer Protection Regulations: Household Goods Motor Carrier Record Retention Requirements," (77 FR 41699) (July 16, 2012), (Attachment A) which would amend the regulations governing the period during which household goods (HHG) motor carriers must retain documentation of an individual shipper's waiver of receipt of printed copies of consumer protection materials.

**1. Circumstances that make collection of information necessary.**

FMCSA is amending its existing regulations applicable to household goods motor carriers (49 CFR Part 375) to reduce certain recordkeeping requirements.

The FMCSA has authority to regulate the commercial operations of the household goods industry. See 49 U.S.C. § 14104, "Household goods carrier operations," (Attachment B).

This ICR includes the information collection requirements contained in title 49 CFR part 375, Transportation of Household Goods in Interstate Commerce; Consumer Protection Regulations (Attachment C).

On July 12, 2005, FMCSA published a Final Rule entitled, "Transportation of Household Goods; Consumer Protection Regulations," (Attachment D) which specifies how motor carriers transporting household goods by commercial motor vehicle in interstate commerce must assist their individual customers who ship household goods. The collected information encompasses that which is generated, maintained, retained, disclosed, and provided to, or for, the agency under 49 CFR part 375.

On August 10, 2005, the President signed into law the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU, Public Law 109-59, 119 Stat. 1144, August 10, 2005), (Attachment E) which assist in addressing challenges facing our transportation system today. SAFETEA-LU promotes more efficient and effective Federal surface transportation programs by focusing on transportation issues of national significance, while giving State and local transportation decision makers more flexibility for solving transportation problems in their

communities. The agency previously revised this ICR to address these impacts in a non-significant direct Final Rule entitled “Amendments to Implement Certain Provisions of the Safe, Accountable, Flexible, Efficient Transportation Act: A Legacy for Users (SAFETEA-LU),” (72 FR 36760), July 5, 2007 (Attachment F). These provisions were effective August 10, 2005 based on the statute.

Sec. 4205 of SAFETEA-LU (119 Stat. 1753) (Attachment G) amended 49 U.S.C. 14104(b) (Attachment G) by requiring the household goods motor carrier to conduct a physical survey of the household goods to be transported on behalf of the individual shipper. The carrier must then provide the shipper with a written estimate, based on the physical survey, of charges for the transportation and all related services. The statute permits two exceptions to this requirement.

First, the individual shipper may elect to waive a physical survey of the household goods. The waiver must be in writing; it must be signed by the individual shipper before the household goods shipment is loaded; and the motor carrier must retain a copy of the waiver as an addendum to the bill of lading. The copy of the waiver agreement is subject to the same record retention requirements that apply to the bill of lading, as provided in § 375.505(d).

Second, the motor carrier need not conduct a physical survey if the household goods are located beyond a 50-mile radius of the location of the carrier's household goods agent preparing the written estimate provided to the individual shipper. Section 4205 also codified or added certain requirements for household goods motor carriers to provide specified informational publications to individual shippers.

On November 29, 2010, FMCSA published a final rule applicable to Brokers of Household Goods Transportation. As a part of that rule, FMCSA extended certain recordkeeping requirements to household goods motor carriers. Specifically, FMCSA provided for the electronic distribution of certain consumer protection documents and required both household goods brokers and motor carriers to retain records of electronic distribution for three years.

In response to a petition for rulemaking, the Agency will publish a direct final rule harmonizing those recordkeeping requirements applicable to household motor carriers with other recordkeeping requirements in 49 CFR part 375. Specifically, the final rule will provide that household goods motor carriers need only retain records of electronic distribution of certain consumer protection materials for one year, consistent with the regulatory scheme applicable to household goods motor carriers in part 375. It will also specify that household goods motor carriers need not retain the record of electronic distribution for consumers for whom they do not actually provide household goods transportation services.

This information collection supports the DOT Strategic Goal of Safety.

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

The collected information will assist consumers in their commercial dealings with interstate motor carriers by enabling them to receive consumer protection materials electronically. Household goods motor carriers will be required to retain receipts of consumers' consent to receive the information electronically for one year.

The FMCSA will use the information provided by the shippers, as it deems necessary, when conducting reviews, audits and investigations of carriers to determine if a carrier/mover is in compliance with the Federal requirements. If this collected information were not available, the FMCSA will have no means of independently verifying each mover's compliance.

## **3. Extent of automated information collection.**

FMCSA estimates that approximately 60% of consumers will elect to receive consumer protection materials electronically. None of the information is submitted to FMCSA.

## **4. Efforts to identify duplication.**

FMCSA is unaware of any other Federal rules that will duplicate, overlap, or conflict with this proposed rule except for certain provisions of the household goods broker rules in 49 CFR Part 371. Because the part 371 rules apply only to household goods brokers, it was necessary to establish separate rules applicable to household goods brokers, even though they contain certain similarities.

## **5. Efforts to minimize the burden on small businesses.**

This rulemaking will further minimize the burden on small businesses by offering the option to provide a hyperlink on their websites to the FMCSA Website containing the information in FMCSA's publication "Your Rights and Responsibilities When You Move." Using the hyperlink will eliminate the cost of hardcopy reproduction. The household goods motor carrier will be required to retain either electronic or paper receipts showing the shipper has received both documents and verification of the shipper's agreement to access the Federal consumer protection information on the Internet. The required retention for those receipts is currently three years and will be reduced to one year as the result of this rulemaking. In addition, FMCSA will be limiting the document retention requirement to require household goods motor carriers to retain receipts from only those consumers for whom they actually provide household goods transportation services. By reducing the retention period the burden on small businesses will be minimized more.

**6. Impact of less frequent collection of information.**

The information in this proposal will be collected when a consumer requests that a mover provide an estimate and when a consumer decides to have a particular mover transport household goods. Certain information will be transferred to the consumer for the consumer to educate himself/herself of its rights and responsibilities in the commercial transactions with the mover. Therefore, frequency is based on the number of moves and is not a factor that FMCSA or the carrier can control.

**7. Special circumstances.**

The information is not collected more frequently than quarterly since the data is required only when services are requested by the consumer. This is to help the consumer understand each part of the commercial transaction and determine whether or not they are being defrauded or deceived by a mover.

**8. Compliance with 5 CFR § 1320.8.**

This DFR published on July 16, 2012 carries a 120-day effective date because the DFR was acting as the PRA's 60-day comment request Federal Register notice. The agency received no adverse comment within the first 30 days, after the 60 day comment period announced in the DFR.

On December 13, 2012, FMCSA published a notice on this subject in the Federal Register (77 FR 74269) (Attachment J) with a 30-day comment period to announce that this revised ICR would be sent to OMB for its review and approval.

**9. Payments or gifts to respondents.**

There are no payments or gifts to respondents for this information collection.

**10. Assurance of confidentiality.**

None of the information collected by movers will be confidential.

**11. Justification for collection of sensitive information.**

There are no questions of a sensitive nature.

## 12. Estimates of Burden Hours for Information Collected.

### Assumptions and Estimates Used in Analysis

FMCSA researched several sources for key figures used in the burden estimates for the HHG consumer protection program supporting statement. Data from FMCSA's Licensing and Insurance (L&I) and Motor Carrier Management Information Systems (MCMIS) databases indicate that there are approximately 5,900 active household goods (HHG) movers<sup>1</sup> and about 600 HHG movers enter the industry each year.<sup>2</sup> However, due to exit from the industry, from 2007 to 2009, the net increase in the number of active HHG movers was only about 200. Using that same low amount of growth, the Agency projects that the number of HHG movers will increase from 5,900 to 6,100 over the three year horizon of these projections; in all of its burden calculations it will use the midpoint of this range, 6,000 movers. A report released by the American Moving and Storage Association (AMSA) indicates that 800,000 of the 3 million annual interstate HHG moves are conducted by professional movers.<sup>3</sup> As it did in the previous two supporting statements, FMCSA assumes that the optimal search depth for shippers is 3 movers, that is, the marginal benefits (a more desirable combination of quality, timeliness, and low cost) of contacting additional companies will outweigh the search costs after a third mover is contacted. Last, all burden estimates are rounded to the nearest 100 hours. Table 1 summarizes the key assumptions used in these calculations.

<b>HHG Movers</b>	<b>Annual Entrants</b>	<b>Annual Shipments</b>	<b>Movers Contacted per Shipment</b>
6,000	600	800,000	3

This supporting statement divides the burden into five categories roughly corresponding to the subsections in the HHG regulations in which the specific paperwork and record keeping requirements for HHG movers appear.

### IC1: Required Information for Prospective Individual Shippers

As stated, FMCSA estimates that 0.8 million HHG moves occur each year and that shippers contact on average 3 movers for every shipment. It is estimated that 2.4 million (0.8 million shipments × 3 contacts) contacts occur between shippers and movers each year.

In addition to a written cost estimate, which will be discussed below under IC2, the HHG consumer protection regulations requires movers to provide the following documents to prospective shippers.

<sup>1</sup> As of December 18, 2009. Includes carriers, brokers, freight forwarders, and enterprise companies.

<sup>2</sup> Average of calendar years 2007-2009.

<sup>3</sup> <http://www.promover.org/content.asp?pl=1118&contentid=1118>. Accessed February 6, 2012.

1. A copy of Department of Transportation publication FMCSA–ESA–03–005 (or its successor publication) entitled “Ready to Move?”<sup>4</sup> with every written cost estimate.
2. The contents of §375 appendix A, entitled “Your Rights and Responsibilities When You Move”<sup>5</sup> (Department of Transportation publication FMCSA–ESA–03–006, or its successor publication).
3. A concise, easy-to-read, accurate summary of the mover’s arbitration program
4. A concise, easy-to-read, accurate summary of the mover’s complaint and inquiry handling procedures.

**“Ready to Move?” Pamphlet**

Under §375.213(a) HHG movers are required to provide with every written estimate a copy of Department of Transportation publication FMCSA–ESA–03–005 (or its successor publication) entitled “Ready to Move?”. HHG movers can accomplish this either (1) by physically distributing the pamphlets, or (2) by providing a hyperlink on their websites. The annual burden for physically distributing the pamphlets requires HHG movers to print and store their supplies of “Ready to Move?” pamphlets. FMCSA has estimated that 40 percent of all consumers (shippers) will request a paper version of this pamphlet. The Agency assumes that established HHG carriers will already have an electronic version of this document stored and ready to print from their computer systems, and that new carriers will be able to obtain it from the [www.protectyourmove.gov](http://www.protectyourmove.gov) website in under 1 minute. Given the 2.4 million written estimates, there will be an estimated 960,000 (2.4 million × 40 percent) requests for paper versions of the “Ready to Move?” pamphlet. Each HHG mover will have to create on average 160 (960,000 pamphlets ÷ 6,000 movers) of these pamphlets each year. Because this is a two-page document, the Agency assumes that HHG movers will print these documents themselves in batches throughout the year. Based on the average number of copies printed by each HHG mover, the Agency estimates that the each mover will, on average, spend 15 minutes (0.25 hours) per year creating and storing its supplies of “Ready to Move?” pamphlets. The total annual burden associated with §375.213(a) is 1,500 hours (6,000 movers × 0.25 hours). Including a copy of this document with the written estimate will be a negligible source of additional burden.

<b>Table 2: Burden Associated with "Ready to Move?" Pamphlet</b>				
<b>Pamphlets (millions)</b>	<b>HHG Movers</b>	<b>Pamphlets per Mover</b>	<b>Annual Burden Hours per Mover</b>	<b>Total Annual Burden Hours</b>

<sup>4</sup> <http://www.protectyourmove.gov/documents/ReadyToMove-2006-april.pdf>. Accessed February 6, 2012.

<sup>5</sup> <http://www.protectyourmove.gov/documents/moving-rights-v9-final.pdf>. Accessed February 6, 2012.

0.96	6,000	160	0.25	1,500
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**Other Materials**

The “Your Rights and Responsibilities When You Move” document and summaries of arbitration programs and complaint and inquiry procedures are required to be provided before a service order is executed, but do not have to accompany every written estimate. The Agency assumes that copies of each document will be required for each of the 800,000 HHG shipments that occur each year.

To calculate the burden associated with “Your Rights and Responsibilities When You Move” document, the Agency uses assumptions analogous to those for the “Ready to Move?” pamphlet. The Agency assumes that established HHG carriers will already have an electronic version of these documents stored on their computer systems ready to print. New carriers will be able to obtain the “Your Rights and Responsibilities When You Move” brochure from the [www.protectyourmove.gov](http://www.protectyourmove.gov) website in under 1 minute. The Agency assumes that movers can produce 800 pages in a half hour. Due to the length of this document (68 pages), carriers may opt to have copies produced by professional printing services. This would presumably reduce the time burden of this requirement, but increase other costs to respondents discussed in section 13 of this ICR. The Agency lacks information on what method movers will choose, and will calculate burden assuming that they produce copies themselves. As mentioned above, FMCSA has estimated that forty percent of all consumers (shippers) will request a paper version of this pamphlet. The total number of copies produced by all HHG movers is estimated to be 320,000 (0.8 million × 40 percent).

The Agency believes that both the summary of the arbitration program and the summary of complaint and inquiry procedures will be one-page documents that carriers will produce copies of themselves. Established firms will have already created these documents, but the 600 new HHG movers that enter each year will be required to create them; these will contain information specific to the firm, so there are no ready-made documents that movers can simply download. The Agency assumes that new firms would spend 2 hours initially creating each type of summary.

Table 3 summarizes the burden associated with creating copies of all three documents.

<b>Table 3: Burden Associated with Producing other Required Consumer Information</b>					
	<b>a</b>	<b>b</b>	<b>c</b>	<b>d</b>	<b>e</b>
<b>Type of Document</b>	<b>Copies (=Shipments) (millions)</b>	<b>Pages per Copy</b>	<b>Total Pages (millions) (a × b)</b>	<b>Pages per 1/2 Hour</b>	<b>Total Annual Hourly Burden (c ÷ d × 1 million)</b>
<b>Rights and Responsibilities</b>	0.32	68	21.76	800	13,600
<b>Complaint &amp; Inquiry Program Summary</b>	0.8	1	0.8		500
<b>Arbitration Procedure Summary</b>	0.8	1	0.8		500
<b>Total</b>	1.92		23.36		14,600

In addition, the total annual burden for new HHG movers to create the required summary documents is estimated to be 2,400 hours (600 new firms × 2 summary documents × 2 hours per document).

### **Internet Website Hyperlinks to Federal Consumer Protection Information**

As mentioned previously, HHG movers are required to provide a copy of Department of Transportation publication FMCSA–ESA–03–005 entitled “Ready to Move?” with every written estimate and publication FMCSA-ESA-03-006 “Your Rights and Responsibilities When You Move” before a service order is executed. As an alternative to printed versions, HHG movers may provide a hyperlink directed to each of these documents from their websites. The burden for providing both hyperlinks on a website is estimated to be 0.5 hours of programming/uploading for each of the 6,000 HHG movers. This results in a total of 3,000 burden hours (6,000 movers × 0.5 hours). However, this burden is not expected to recur annually. FMCSA calculates the annual burden of a one-time cost by dividing it over the three-year approval period of this burden estimate. Therefore, the expected annual burden for HHG movers regarding the provision of internet website hyperlinks to Federal Consumer Protection Information is 1,000 hours (3,000 hours × 1/3).

<b>Table 4: Burden Associated with Internet Website Hyperlinks</b>				
<b>HHG Movers</b>	<b>Hyperlink</b>	<b>Burden Hours per Mover</b>	<b>Total Burden Hours</b>	<b>Annual Burden Hours (1/3 of Total)</b>
6,000	2	0.5	3,000	1,000

### **Signed Receipt for Verification of Booklets Received**



Under §375.213(e)(2), before HHG movers execute an order for service for shipment of household goods, they are required to obtain a signed, dated, electronic or paper receipt showing that the individual shipper has received “Ready to Move?” and “Your Rights and Responsibilities When You Move” booklets that includes, if applicable, verification of the shipper's agreement to access the Federal consumer protection information on the Internet. Further, the signed receipt must be maintained for one year from the date the shipper signs the receipt. HHG movers would have to place a form on its website to be printed and signed, and then would have to retain the signed document for one year. The associated burden would include informing the shipper of the necessity to fill out the statement, receiving statements, filing them (or converting to electronic copies), and emptying the files after the retention period. FMCSA has estimated that 60 percent of all consumers (shippers) will request an electronic version of the booklets, resulting in 480,000 receipts (60 percent of 800,000 shipments) that must be kept on file for one year. On average, each HHG mover would have to perform this process approximately 80 times every year (480,000 ÷ 6,000 movers). The Agency estimates that movers would spend no more than a total of 4 hours on this process per year, which results in an annual burden of 24,000 hours.

<b>Table 5: Burden Associated with Verification of Receiving "Ready to Move?" and “Your Rights and Responsibilities When You Move” Booklets</b>				
<b>Receipts (millions)</b>	<b>HHG Movers</b>	<b>Receipts per Mover</b>	<b>Annual Burden Hours per Mover</b>	<b>Total Annual Burden Hours</b>
0.48	6,000	80	4	24,000

### **Subtotal for IC1**

The total annual burden for IC1, Required Information for Prospective Individual Shippers, is estimated to be **43,500 hours** (1,500 hours for “Ready to Move?” pamphlet + 14,600 hours for other materials + 2,400 hours for new firms to create summary documents + 1,000 hours for website hyperlinks + 24,000 hours for signed receipts).

### **IC 2: Estimating Charges**

As required by §375.401, HHG movers must conduct physical surveys of shippers’ items to be transported in order to provide written estimates of shipping charges. The exceptions to the physical survey requirement apply when the shippers’ goods are outside of a fifty-mile radius of the movers’ location, or if the shipper waives a physical survey in writing. The process of generating estimates is divided into the following ten steps:

1. Traveling to the pickup location

2. Estimating the quantity and weight of items to be transported
3. Estimating accessorial and incidental charges
4. Reviewing and obtaining information from tariff guides and schedules
5. Calculating the estimate
6. Recording the estimate
7. Copying the estimate
8. Attaching one copy to the service order and another copy to the bill of lading
9. Providing the estimate to the prospective shipper
10. Returning to mover's terminal

The Agency has identified three categories of shipping charge estimates, binding estimates, non-binding estimates with physical surveys, and non-binding estimates exempt from physical surveys. FMCSA assumes that any estimate based on a physical survey will take 2 hours to complete, whereas those for which a physical survey is not conducted will take 0.5 hours. A written explanation of volume-to-weight conversion formula must also accompany non-binding estimates that were based on volume and converted to a weight-based rate.

Table 6 provides details on how the Agency has assumed the 2.4 million cost estimates written annually are distributed and the burden associated with each type of estimate.

Type of Estimate		Percent of Estimates	Responses (millions)	Hours per Response	Total Annual Burden Hours
Physical Survey	Binding	60%	1.44	2	2,880,000
	Non - Binding	35%	0.84	2	1,680,000
No Physical Survey	Non - Binding	5%	0.12	0.5	60,000
<b>Total</b>		100%	2.4		4,620,000

The Agency estimates that 10 percent of, or 96,000 (10% × 0.96 million estimates), non-binding estimates will require an explanation of volume to weight conversions. Movers will establish these formulas when beginning operations, and providing this document, when required, with cost estimates will be a negligible source of burden. Creating the documentation explaining them will be a source of burden only for the 600 new movers that enter the industry each year. The Agency believes, however, that even this burden is negligible and does not include it in these burden calculations.<sup>6</sup>

The total annual burden for IC2, Estimating Charges, is estimated to be **4,620,000 hours**.

<sup>6</sup> If 10 percent of carriers are using volume-to-weight conversions, then just 60 of the 600 new HHG movers will be required to create this documentation, which the Agency estimates will take about 10 minutes per carrier to produce.

### IC3: Pick Up of Shipments of Household Goods

The HHG consumer protection regulations require movers to provide shippers with several documents. The Agency uses an estimate of 0.8 million HHG moves per year. Under Subpart E of §375, three items are required to be prepared for every shipment, a service order, an inventory of the goods shipped, and a bill of lading. For shipments initiated with non-binding cost estimates, movers may be required to produce a written weight tickets for each shipment.

#### Service Orders, Goods Inventories, and Bills of Lading

Preparation of service orders, goods inventories, and bills of lading may be customary for HHG movers, but in past burden estimates, the Agency has excluded only the burden for goods inventories as occurring in the normal course of business. It will continue this practice in the current burden estimates. The bill of lading and the service order are estimated to take 0.5 hours each per shipment.

<b>Table 7: Burden Associated with Service Orders and Bills of Lading</b>			
	<b>Documents (=HHG Shipments) (millions)</b>	<b>Annual Burden Hours per Document</b>	<b>Total Annual Burden</b>
<b>Service Orders</b>	0.8	0.5	400,000
<b>Bills of Lading</b>	0.8	0.5	400,000
<b>Total</b>	1.6		800,000

#### Weighing Shipments

Shipping charges may be based either on volume or weight; for the latter case, final charges are typically determined after the goods have already been placed on a moving truck. Consequently, binding estimates are volume-based because final shipping charges are determined and agreed upon before the shipments have had the opportunity to be weighed, and shipments charged according to weight are only associated with some non-binding estimates. If shipping charges are based on weight, movers must complete and retain weight tickets for each weighing of a shipment.

FMCSA does not have a source for an estimate of the fractions or numbers of shipments charged according to volume or weight. It continues to assume, as it has in the past that all non-binding estimates will be charged based on weight.

Although the HHG consumer protection regulations specify the procedures required for weighing the shippers goods, the only paperwork burden associated with these requirements are under §375.519, which requires movers to obtain written weight tickets, specifies the content of those tickets, and discusses proper handling of these documents. In past supporting statements, the Agency had included the total time spent in the

weighing process (assumed to be 5 minutes) in its burden estimates, whereas the time spent completing and handling weight tickets, currently assumed to be 1 minute, is the specific paperwork burden associated with the weighing requirements.

Shipments may be weighed more than once if an individual shipper requests a reweighing. If the second measurement is performed on the same scale as the first, both weights may be recorded on the same weight ticket. The use of a different scale seems likely to occur only when the shipper objects to the accuracy of the original scale. The Agency assumes that this is a rare occurrence, and consequently that one weight ticket will be generated per shipment. Table 8 summarizes the burden associated with creating weight tickets.

<b>Table 8: Burden Associated with Weight Tickets</b>			
<b>Shipments (millions)</b>			
<b>Total</b>	<b>40% with Non-Binding Charges (=Weight Tickets)</b>	<b>Minutes per Response</b>	<b>Total Annual Hourly Burden</b>
0.8	0.32	1	5,300

**Subtotal for IC3**

The total annual burden for IC3, Pickup of Shipments of Household Goods, is estimated to be **805,300 hours** (800,000 hours for service orders and bills of lading + 5,300 hours for weight tickets).

**IC4: Transportation of Shipments**

**Notifications of Delays and Early Deliveries**

After goods have been placed in transit, the HHG consumer protection regulations require movers to generate and maintain some additional documents associated with the status of the shipments. Under Subpart F of §375, movers are required to generate and maintain notifications of both delays and early delivery (more than 24 hours before the specified date) of shipments, and to furnish to shippers upon request the records of contact regarding delays. The notifications may be conducted by telephone, fax, e-mail, overnight courier, certified mail, or in person. The Agency believes that movers will use the most expeditious and reliable methods possible—generally assumed to be telephone or email—and will very rarely opt to send paper documents via courier or certified mail. However, movers must furnish a written record of delay notifications if asked to do so by shippers.

The Agency assumes that 20 percent of shipments are delayed, and that shippers request written records of the delay notification in 20 percent of those cases, that is, in 4 percent of total shipments (20% delayed shipments × 20% contact record requested). The Agency also assumes movers notify shippers of early delivery in 2 percent of shipments.

Generating and maintaining records of both types of contact are assumed to take 5 minutes, and furnishing requested copies of the records of notifications of delays are assumed to take 15 minutes. Table 9 summarizes the burden associated with notifications of delays and early arrivals.

<b>Table 9: Burden Associated with Notifications of Delays and Early Delivery</b>				
	<b>Shipments</b>			
	<b>Percent</b>	<b>(millions)</b>	<b>Minutes per Response</b>	<b>Total Annual Hourly Burden</b>
<b>Total</b>		0.800		
<b>Delayed</b>	20%	0.160	5	13,300
<b>Delayed AND Contact Record Requested</b>	4%	0.032	15	8,000
<b>Early</b>	2%	0.016	5	1,300
<b>Sum</b>		0.208		22,600

### **Storage-in-Transit (SIT) Expiration**

Under §375.609, movers holding goods for storage-in-transit (SIT) must notify shippers of the expiration of their storage periods at least 10 days in advance. After SIT period expires, goods convert to permanent storage and are no longer the liability of the HHG mover. The notifications may be conducted by fax, e-mail, overnight courier, certified mail, or in person. The Agency believes that movers will use the most expeditious and reliable method possible—generally assumed to be email—and will very rarely opt to send paper documents via courier or certified mail. Nevertheless, shippers must maintain records of these notifications, although the regulations do not specify that these records be kept in a written format.

When the HHG consumer protection regulations were promulgated, the Agency had assumed that 10 percent of shipments would be in SIT expiration situations. The Agency believes that HHG will follow the most expeditious, least burdensome and least costly method to generate these notifications, a company standard e-mail message. These notifications will be generated either automatically or with minimal input from company staff, resulting in negligible burden. The Agency also assumes that retention of email records is a standard business practice. Consequently, the Agency does not include estimates of burden associated with notifications of SIT expirations in these calculations.

### **Subtotal for IC4**

The total annual burden for IC4, Transportation of Shipments is estimated to be **22,600 hours**, comprised entirely of the burden associated with the notifications of delays and early deliveries.

## **IC5: Consumer Complaints**

Under §375.609, HHG movers are required to keep written or electronic records of all complaints and inquiries received from shippers. Established movers will already have such record keeping systems in place, whereas the 600 new firms will have to establish record-keeping procedures. In the previous baseline burden estimate, the Agency incorrectly used the average time for *resolving* each inquiry or complaint. Paperwork work burden, however, is only associated with logging the complaints. The Agency also had not conducted any research into the actual operations of consumer complaints and inquiries. It attempts to improve its analysis in this supporting statement.

### **Records of Complaints and Inquiries**

HHG movers may receive complaints in writing, via e-mail, or orally, either in person or over the telephone. In the first two cases, merely retaining the paper or electronic document would be sufficient for meeting this record keeping requirement. In the last case, movers would have to take extra actions to generate a paper or electronic entry by producing a transcript or summary of the conversation with the shipper; however, recorded telephone conversations would also suffice for meeting this requirement.

The Agency had assumed in the past that each shipment receives, on average, 2 complaints or inquiries. The nature of the complaint or inquiry will determine, in part, which method of communication a shipper uses. According to a 2007 Government Accountability Office report on FMCSA's HHG consumer protection program,<sup>7</sup> FMCSA and local Better Business Bureaus logged approximately 13,000 complaints in 2005 against HHG movers. A 1999 study into consumer complaints conducted by Saint Louis University on a focus group of consumers<sup>8</sup> found that 4-6 contacts was the median number required for resolving complaints, and that 20 percent of complaints required over 10 contacts. Although this study is somewhat dated, the Agency believes its results to be reasonable starting points for evaluating paperwork burden. Most complaints were in industries<sup>9</sup> with characteristics similar to those of interstate HHG moves, those industries in which products or services, and therefore prices, are tailored to suit the needs of the customers, leaving greater opportunity for disagreements of price relative to the customers' expectations. Complaints are generally fewer for businesses offering homogenous products at fixed prices. The study also found that consumers overwhelmingly opt for oral communication, telephone or face-to-face, when lodging complaints. In the ensuing eleven years since this study was produced, consumers and firms may have opted to use email more to resolve complaints.

The Agency uses this study to derive several key assumptions for evaluating the burden of the complaint and inquiry recordkeeping requirements. First, it assumes that the median number of contacts, the 4-6 range, or simply 5, is currently applicable as the

<sup>7</sup> <http://www.gao.gov/new.items/d07586.pdf>. Accessed March 18, 2010.

<sup>8</sup> [http://www.slu.edu/Documents/business/eec/closing\\_the\\_gap.pdf](http://www.slu.edu/Documents/business/eec/closing_the_gap.pdf). Accessed March 18, 2010.

<sup>9</sup> For example, franchised auto dealers, used auto dealers, home remodeling, auto repair, roofing contractors.

average number of contacts per complaint. Second, the Agency assumes that the 13,000 complaints referred to FMCSA and Better Business Bureaus are generally the 20 percent of complaints requiring more than 10 contacts. Consequently, if these 13,000 complaints represent 20 percent, the Agency can estimate that 65,000 (13,000 ÷ 20%) total complaints occur each year. Factoring in an average of 5 contacts per complaint, the Agency estimates that HHG movers are keeping 325,000 records (65,000 complaints × 5 contacts). The Agency also assumes that every HHG shipment will generate on average one non-complaint inquiry.

It is also necessary for the Agency to determine the method of contact. Inquiries and complaints are unlikely to be initiated in writing, and the Agency assumes consumers will opt for oral communication 80 percent of the time, a large majority, and email 20 percent of the time. Maintenance of records of email correspondence is a standard business practice and is assumed to generate no extra burden. Last, generating a record is assumed to take 1 minute for inquiries and 5 minutes for each complaint contact. Table 10 presents a summary of these assumptions and the burden

<b>Table 10: Burden Associated with Records of Complaints and Inquiries</b>				
	<b>Contacts</b>	<b>Not Conducted Electronically (80%)</b>	<b>Minutes per Contact</b>	<b>Annual Hourly Burden</b>
<b>Complaints</b>	325,000	260,000	5	21,700
<b>Inquiries (=Shipments)</b>	800,000	640,000	1	10,700
<b>Total</b>	1,125,000	900,000		32,400

### **Establishing Complaint and Inquiry Record Systems**

The Agency assumes that new firms will spend no more than one-half hour on average establishing a written or electronic log of complaints or inquiries, or developing a system to retain written complaints or inquiries from consumers. The total annual burden associated with establishing complaint and inquiry record systems is estimated to be **300 hours** (600 new firms × 0.5 hours).

### **Subtotal for IC5**

The total annual burden for IC5, Consumer Complaints, is estimated to be **32,700 hours** (32,400 hours for recording complaints and inquiries + 300 hours for establishing record systems).

### **IC 6: Consumer Complaint Form MCSA-2P**

Consumers may initiate consumer complaints with FMCSA against HHG movers by using the online form MCSA-2P.<sup>10</sup> The Agency receives about 2,500 complaints via this

<sup>10</sup> [http://nccdb.fmcsa.dot.gov/hc\\_disclaimer1.asp?public=open](http://nccdb.fmcsa.dot.gov/hc_disclaimer1.asp?public=open).

online form each year. FMCSA estimates that the form takes ten minutes to complete, resulting in (rounded to the nearest 100 hours) annual burden of 400 hours (2,500 complaints × 10 minutes per form ÷ 60 minutes per hour).

**IC1-5: Total Burden of HHG Consumer Protection Regulations**

Table 11 summarizes the estimates of the total annual burden of the HHG consumer protection regulations.

<b>Table 11: Summary of Annual Burden for IC1-6</b>				
	<b>Type of Response</b>	<b>Respondents</b>	<b>Responses</b>	<b>Annual Hourly Burden</b>
<b>IC1</b>	Informational Documents Provided to Prospective Shippers	6,000	3,361,200	43,500
<b>IC2</b>	Written Cost Estimates for Prospective Shippers		2,400,000	4,620,000
<b>IC3</b>	Service Orders, Bills of Lading		1,920,000	805,300
<b>IC4</b>	In-Transit Service Notifications		208,000	22,600
<b>IC5</b>	Complaint & Inquiry Records, Including Establishing Record System		900,600	32,700
<b>IC6</b>	Household Goods - Consumer Complaint Form MCSA-2P	2,500	2,500	400
<b>Total</b>		8,500	8,792,300	5,524,500

**Estimated Annual Number of Respondents: 8,500 [6,000 HHG Movers + 2,500 Consumers]**

**Estimated Annual Number of Responses: 8,792,300 [IC1 3,361,200 + IC2 2,400,000 + IC3 1,920,000 + IC4 208,000 + IC5 900,600 + IC6 2,500 = 8,792,300].**

**Estimated Annual Burden Hours: 5,524,500 [IC1 43,500 + IC2 4,620,000 + IC3 805,300 + IC4 22,600 + IC5 32,700 + IC6 400 = 5,524,500].**

**13. Estimates of Total Annual Costs to Respondents.**

In addition to the hourly burden estimated in item 12 above, HHG movers will also bear substantial materials costs of producing and storing documents. The estimates of the costs of producing required documents is based on the total number of pages movers will need to produce multiplied by a flat rate of \$0.15 per page.



For estimating capital costs for record keeping, the Agency considered both electronic and paper storage of records. As stated above, the Agency believes electronic records will almost exclusively be associated with email communications, and that email records are already retained in the normal course of business. The Agency estimates that paper records of 900,000 complaints and inquiries, as well as 480,000 receipts for verification of receiving the electronic booklets, would be retained each year with a one-year retention period. The capital costs of storing these records would be borne only by new HHG movers in the form of new filing cabinets.

The Agency employs several assumptions and conventions to estimate the paper storage cost per new firm. First, each new firm will retain on average 150 complaint and inquiry records (900,000 paper records ÷ 6,000 firms) and 80 receipts of verification (480,000 receipts ÷ 6,000 firms), resulting in a total of 230 records to be filed. The Agency estimates that firms will be able to store 50 records per inch of filing space, and therefore each firm will use approximately 5 file inches (230 paper records ÷ 50 records per inch = 4.6 file inches, rounded to nearest whole number) for storing records of complaints and inquiries. It then adopts several conventions for converting this into total volume and number of file cabinets.<sup>11</sup> First, there are 15 file inches of letter-sized paper records per cubic foot, so each firm will use 0.33 cubic feet (5 file inches ÷ 15 file inches per cubic foot) for storage. A two-drawer file cabinet can store approximately 0.75 cubic feet of records, and consequently one cabinet will provide enough space for an individual firm to store all its records of complaints and inquiries. The Agency assumes a median purchase price of \$100 per cabinet, and assumes the value of the office space it takes up will be negligible.

The last type of cost the Agency estimated is the capital cost (envelope and postage) of mailing copies of records of delay notifications requested by shippers. The Agency assumes \$0.50 per mailing, and, as stated above, estimates that 32,000 of these mailings occur each year.

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<sup>11</sup> See e.g., <http://www.colorado.gov/dpa/doit/archives/rm/schools/Measurement.pdf>. Accessed March 23, 2010.

Table 12 summarizes the capital cost estimates of the HHG consumer protection regulations.

<b>Table 12: Summary of Annual Costs to Respondents</b>						
<b>Collection</b>		<b>Number of Documents</b>	<b>Pages per Document</b>	<b>Total Pages</b>	<b>Total Paper Cost @ \$0.15 per Page</b>	
<b>IC 1</b>	<b>"Ready to Move?"</b>	960,000	2	1,920,000	\$288,000	
	<b>"Rights &amp; Responsibilities"</b>	320,000	68	21,760,000	\$3,264,000	
	<b>Complaint &amp; Inquiry Program Summary</b>	800,000	1	800,000	\$120,000	
	<b>Arbitration Procedure Summary</b>	800,000	1	800,000	\$120,000	
<b>IC 2</b>	<b>Written Cost Estimates</b>	2,400,000	1	2,400,000	\$360,000	
<b>IC 3</b>	<b>Service Orders</b>	800,000	1	800,000	\$120,000	
	<b>Bills of Lading</b>	800,000	1	800,000	\$120,000	
	<b>Weight Tickets</b>	320,000	1	320,000	\$48,000	
					<b>\$4,440,000</b>	
		<b>Number of Paper Records</b>	<b>Records per Firm</b>	<b>Cost per Firm</b>	<b>New Firms</b>	<b>Total Record Storage Cost</b>
<b>IC 5</b>	<b>Storage of Complaint &amp; Inquiry Records</b>	900,000	150	\$100	600	\$60,000
		<b>Number of Requests</b>		<b>Cost per Mailing</b>	<b>Total Mailing Cost</b>	
<b>IC 4</b>	<b>Requests for Records of Delay Notifications</b>	32,000		\$0.50	\$16,000	
					<b>TOTAL CAPITAL COSTS</b>	
					<b>\$4,516,000</b>	

**Estimated Annual Cost to Respondents: \$4,516,000 [IC1 \$3,792,000 + IC2 \$360,000 + IC3 \$288,000 + IC4 \$16,000 + IC5 \$60,000 = \$3,792,000].**

**14. Estimate of Cost to the Federal Government.**

The cost to the Government will be the time spent by staff responding to complaints submitted on the Household Goods - Consumer Complaint Form MCSA-2P, estimated to be approximately \$100,000 per year.

### **15. Explanation of Program Changes or Adjustments.**

This revision resulted in a program adjustment decrease of 31,900 estimated annual burden hours [5,524,500 proposed estimated annual burden hours – 5,556,400 currently approved estimated annual burden hours = -31,900] and a decrease of \$5,328,000 in estimated annual costs to respondents [\$4,516,000 proposed annual cost to respondents - \$9,844,000 currently-approved annual cost to respondents = -\$5,328,000]. FMCSA has updated its burden estimates and costs to respondents in regard to consumers (shippers) requesting either printed or electronic copies of Federal Consumer Protection Information, specifically, Department of Transportation publications FMCSA–ESA–03–005 entitled “Ready to Move?” and FMCSA-ESA-03-006 “Your Rights and Responsibilities When You Move”. The Agency estimates that 40 percent of consumers will request printed copies and the remaining 60 percent will request electronic copies. In addition, burden hours associated with processes related to providing electronic copies to consumers have been adjusted. Last, errors in the baseline calculations for annual hourly burden estimates have been corrected.

IC1: “Required Information for Prospective Individual Shippers” is the only subsection affected by the program adjustment. Table 13 below summarizes the revisions to annual burden estimates based on Agency errors found in the calculations done in 2010.

<b>Table 13: Summary of Revisions to Annual Hourly Burden Estimates Based on Agency Errors to Baseline Calculations</b>				
	<b>Collection</b>	<b>Old Burden</b>	<b>Revision Due to Error</b>	<b>Revision Due to Agency Error (Old - Error)</b>
<b>IC1</b>	<b>"Ready to Move?"</b>	3,000	0	3,000
	<b>"Rights &amp; Responsibilities"</b>	68,000	-34,000	34,000
	<b>Complaint &amp; Inquiry Program Summary</b>	1,000	-500	500
	<b>Arbitration Procedure Summary</b>	1,000	-500	500
	<b>Create Summaries</b>	2,400	0	2,400
	<b>Website Hyperlink</b>	0	0	0
	<b>Signed Receipts</b>		0	0
	<b>Total for IC1</b>	<b>75,400</b>	<b>-35,000</b>	<b>40,400</b>

Table 14 below summarizes the revisions to annual burden estimates based on the Household Goods Broker final rule of November 29, 2010. The direct final rule to reduce the record retention period for receipts from three years to one year does not affect the annual burden hour estimates.

<b>Table 14: Summary of Revisions to Annual Hourly Burden Estimates Based on HHG Broker Final Rule of November 29, 2010</b>				
	<b>Collection</b>	<b>Revision Due to Agency Error</b>	<b>Revision Due to HHG Broker Final Rule</b>	<b>Total After HHG Broker Final Rule (Error – HHG Broker final rule)</b>
<b>IC1</b>	<b>"Ready to Move?"</b>	3,000	-1,500	1,500
	<b>"Rights &amp; Responsibilities"</b>	34,000	-20,400	13,600
	<b>Complaint &amp; Inquiry Program Summary</b>	500	0	500
	<b>Arbitration Procedure Summary</b>	500	0	500
	<b>Create Summaries</b>	2,400	0	2,400
	<b>Website Hyperlink</b>	0	1,000	1,000
	<b>Signed Receipts</b>	0	24,000	24,000
	<b>Total for IC1</b>	<b>40,400</b>	<b>3,100</b>	<b>43,500</b>

Table 15 below summarizes the revision to annual costs to respondents. The direct final rule affects the cost of retaining the receipts filed for an additional two years in a filing cabinet. For the average household goods motor carrier, the household goods broker final rule required 240 receipts of verification to be filed (480,000 receipts per year times 3 years ÷ 6,000 firms). The Agency estimated above that firms will be able to store 50 records per inch of filing space, and therefore each firm will use approximately 5 file inches (240 paper records ÷ 50 records per inch = 4.8 file inches, rounded to nearest whole number) for storing 3 years of receipts. With the reduction of the receipts necessary to be kept reduced from 3 years to 1 year, each firm will use approximately 2 file inches (80 paper records ÷ 50 records per inch = 1.6 file inches, rounded to nearest whole number) for storing 1 year of receipts.

<b>Collection</b>		<b>New Cost</b>	<b>Old Cost</b>	<b>Total Cost (New – Old)</b>
<b>IC1</b>	<b>"Ready to Move?"</b>	\$288,000	\$720,000	-\$432,000
	<b>"Rights &amp; Responsibilities"</b>	\$3,264,000	\$8,160,000	-\$4,896,000
	<b>Complaint &amp; Inquiry Program Summary</b>	\$120,000	\$120,000	0
	<b>Arbitration Procedure Summary</b>	\$120,000	\$120,000	0
	<b>Total Capital Costs for IC1</b>	<b>\$3,792,000</b>	<b>\$9,120,000</b>	<b>-\$5,328,000</b>

**16. Publication of results of data collection.**

The FMCSA does not plan to publish any results.

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

FMCSA is seeking approval to not display the expiration date of OMB approval on the publication "Your Rights and Responsibilities When You Move". This publication will be printed by the vast majority of the 6,000 household goods carriers. It will be a burden on them to have to re-print the document every 3 years.

However, we are **not** seeking approval to not display the expiration date of OMB approval on form MCSA-2P, Household Goods - Consumer Complaint Form. Because this form will be available from FMCSA's web site, it will be easy to update the form with a new approval date when appropriate.

### **18. Exceptions to certification statement.**

The FMCSA is claiming no exception to any element of the certification statement identified in Item 19 of OMB form 83-I.

#### Attachments:

- A. Direct Final Rule entitled, "Transportation of Household Goods in Interstate Commerce; Consumer Protection Regulations: Household Goods Motor Carrier Record Retention Requirements," (77 FR 41699) (July 16, 2012)
- B. 49 U.S.C. § 14104, "49 U.S.C. § 14104, "Household goods carrier operations."
- C. 49 CFR part 375, "Transportation of Household Goods in Interstate Commerce Protection Regulations."
- D. Final Rule entitled, "Transportation of Household Goods; Consumer Protection Regulations," (70 FR 39949), July 12, 2005.
- E. Final Rule entitled, "Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU, Public Law 109-59, 119 Stat. 1144, August 10, 2005).
- F. Final Rule, entitled, "Amendments to Implement Certain Provisions of the Safe, Accountable, Flexible, Efficient Transportation Act: A legacy for Users (SAFETEA-LU), "Public Law 109-59,119 Stat. 1144, August 10, 2005.
- G. Sec. 4205 of SAFETEA-LU, Public Law 109-59 (119 Stat. 1753), August 10, 2005.
- H. Your Rights and Responsibilities When You Move.
- I. Ready to Move pamphlet.
- J. 30-day Comment Request Federal Register Notice (77 FR 74269), December 13, 2012.

Form MCSA-2P, Household Goods – Consumer Complaint Form.