

SUPPORTING STATEMENT
DISCLOSURE REQUIREMENTS FOR HOUSEHOLD MOVERS

A. Justification:

1. Why the collection is necessary. Under 49 U.S.C. §§ 13501, 13531, and 14706(f)(2), the Board is charged with oversight of certain motor carrier tariffs (the published rates that interstate movers of household goods charge for the services they offer). More specifically, the Interstate Commerce Act requires that such a mover offer what are known as “full-value” rates, which are rates under which the mover will be liable for the full value of any lost or damaged cargo. Full-value has been defined by statute to mean the “replacement value” of the goods (the cost to the consumer to replace the items lost or damaged) (49 C.F.R. § 375.201). Additionally, the Board and its predecessor agency, the Interstate Commerce Commission, have authorized moving companies to offer consumers a lower, “released” rate under which the carrier is released from full liability for lost or damaged cargo and assumes less than the statutory level of cargo liability for an interstate move.

Moving companies must inform consumers of their right to choose between full-value liability protection and the reduced liability protection offered with the released rate, and they must obtain a signed waiver if the consumer elects anything other than full-value protection. See Released Rates of Motor Common Carriers of Household Goods, RR 999 (Amendment No. 4) (STB served June 13, 2007). Previously, however, consumers were sometimes confused and did not realize that they had waived full value protection until after they had experienced damage to or loss of their goods.

In three decisions, Released Rates of Motor Common Carriers of Household Goods, Docket No. RR 999 (Amendment No. 5) (served Jan. 21, 2011 (2011 Decision) and Jan.10, 2012 (2012 Decision) and modified on May 15, 2012), the Board issued regulations implementing a Congressional directive to enhance consumer protection in the case of loss or damage that occurs during interstate household-good moves. See Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), § 4215, Pub. L. No. 109-59, 119 Stat. 1144, 1760 (2005).

In its 2011 Decision, the Board issued preliminary regulations that required movers to provide certain information concerning the two available cargo-liability options on the written estimate form—the first form that a moving company must give to a customer. In response to comments, the 2012 Decision modified the disclosure requirements proposed in the 2011 Decision (See 77 Fed. Reg. 15187-01). Subsequently, in response to further public comments, the Board issued a March 9, 2012 decision and notice postponing the effective date of the new requirements until May 15 (See 77 Fed. Reg. 15187-01).

The resulting improved disclosure requirements provide to consumers earlier notice regarding the two liability options (full-value protection and the lower released-rate protection), as well as adequate time and information to decide which option to choose. These requirements are necessary to comply with the Congressional mandate in SAFETEA-LU.

2. How the collection will be used. Motor common carriers of household goods will provide early notice to consumers regarding consumers' two liability options (full-value protection and the lower released-rate protection), as well as adequate time and information to help consumers decide which option to choose. These disclosure requirements will fulfill the statutory duty imposed on the Board in SAFETEA-LU.

3. Extent of automated information collection. Respondents may email this notice to the third party recipients.

4. Identification of duplication. In SAFETEA-LU, Congress tasked the STB with adopting rules to improve the notice that household movers provide to consumers regarding household movers' liability. No other Federal agency requires this notice.

5. Effects on small business. Approximately 4485 small entity movers will be required to revise the notice that they are already providing to their customers. Because this notice will appear on documents that movers already provide to customers, the only burden on these movers will be the one-time printing costs involved in replacing their current stock of relevant business documents with new documents that include the required notice.

6. Impact of less frequent collections. Without this disclosure requirement early in the process of consumers' contracting for household-goods moving services, consumers would continue to be ill informed about their choices regarding a mover's liability for household goods.

7. Special circumstances. No special circumstances apply to this collection.

8. Compliance with 5 C.F.R. § 1320.8. The Board published a notice in the Federal Register, providing a 60-day comment period regarding this collection. See 77 Fed. Reg. 47918 (Aug. 10, 2012). No comments were submitted. As required, the Board has also published a notice providing a 30-day comment period, with comments to be sent to OMB. See 78 Fed. Reg. 18421 (3/26/13).

9. Payments or gifts to respondents. The Board does not provide any payment or gift to respondents.

10. Assurance of confidentiality. No confidential information is involved in this disclosure requirement.

11. Justification for collection of sensitive information. This collection contains no information of a personally sensitive nature.

12. Estimation of burden hours for respondents. Based on information supplied by the

American Moving & Storage Association, we estimate that 15 of the approximately 4,500 household-goods movers are large firms that print their own forms and that it will take each of these large firms no more than 24 hours to produce the modified forms, resulting in a total start-up burden of 360 hours (24 X 15). Annualized over the three years covered by OMB's approval, this results in an annual burden of 120 hours. The household-goods carrier already knows its released rate. It is merely adding that rate and certain required notice language to a document that it already distributes to the customer as part of the normal course of business.

13. Other costs to respondents: There will be a startup cost to the remaining approximately 4485 movers/freight forwarders that are small companies that will use the services of a professional printer to replace their existing stock of outdated forms (estimated at 500 copies). This cost is expected to be \$460 per mover, based on information supplied by the American Moving & Storage Association. Therefore, the total non-hour burden cost including all movers is estimated at a one-time expense of \$2,063,100. Annualized over the three years covered by OMB's approval, this results in a total annual burden of \$687,700.

14. Costs to Board: This collection is a requirement that household movers disclose their rate options to their customers. Because the Board will not collect any information, there will be no cost to the Board.

15. Changes in burden hours. This is an existing collection without an OMB control number. This collection is associated with rules that were adopted by the Board in 2012.

16. Plans for tabulation and publication: None

17. Display of expiration date for OMB approval. No exception is sought. When issued, the control number and expiration date for this collection will be published in the Federal Register as provided in 5 C.F.R. § 1320.3(f)(3).

18. Exceptions to Certification Statement. No exceptions are sought.

B. Collections of Information Employing Statistical Methods:

Not applicable