

**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 for the extension of an information collection request (ICR) entitled, "Transportation of Household Goods; Consumer Protection," covered by OMB Control Number 2126-0025, and currently due to expire on April 30, 2016. In addition, the estimated annual number of respondents for the IC titled "Informational Documents Provided to Prospective Shippers," in this ICR is expected to have a program adjustment decrease from 6,000 to 4,900 household goods (HHG) movers for this renewal.

1. Circumstances that make collection of information necessary.

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 A). Under § 14104(a)(1), paperwork required of household goods carriers must be minimized to the maximum extent feasible consistent with the protection of individual shippers.

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 B).

On July 12, 2005, FMCSA published a Final Rule entitled, "Transportation of Household Goods; Consumer Protection Regulations," (70 FR 39949) (Attachment C) 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), Pub. L. 109-59, 119 Stat. 1144, (August 10, 2005), (Attachment D). The agency consequently revised this ICR to address these statutory impacts in a 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 E). These SAFETEA-LU provisions were effective August 10, 2005. Section 4205 of SAFETEA-LU (Attachment F) amended 49 U.S.C. 14104(b) (Attachment A) 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 section 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 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 entitled, "Brokers of Household Goods Transportation by Motor Vehicle," (75 FR 72987) (Attachment G) that extended certain recordkeeping requirements to household goods brokers. 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.

On July 16, 2012, FMCSA published 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) (Attachment H) that amended the regulations governing the period during which HHG motor carriers must retain documentation of an individual shipper's waiver of receipt of printed copies of consumer protection materials. This change harmonizes the retention period with other document retention requirements applicable to HHG motor carriers. FMCSA also amended the regulations to clarify that a HHG motor carrier is not required to retain waiver documentation from any individual shippers for whom the carriers does not actually provide services.

This information collection supports the DOT Strategic Goal of Economic Competitiveness as it helps protect large and small business owners in the Household Goods industry, along with consumers.

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. .

The FMCSA will use the information provided by the shippers, when necessary, while 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 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 collections of information that will duplicate, overlap, or conflict with this ICR.

5. Efforts to minimize the burden on small businesses.

FMCSA took action to further minimize the burden on small businesses by offering the option to provide a hyperlink on their websites to the FMCSA Website containing the FMCSA's publication "Your Rights and Responsibilities When You Move" (Attachment I). Using the hyperlink will eliminate the cost of hardcopy reproduction. The household goods motor carrier is 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 three year required retention period for those receipts was reduced to one year as the result of FMCSA amending its household goods regulations in 2012, as discussed previously above (Attachment H). By reducing the retention period, the burden on small businesses will be further minimized. In addition, FMCSA limited 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.

6. Impact of less frequent collection of information.

The information in this ICR extension 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 his/her rights and responsibilities in 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.

On September 21, 2015, FMCSA published a notice in the Federal Register (80 FR 57031) (Attachment J) with a 60-day comment period announcing its intention to seek OMB review and approval to extend this ICR. The agency received no comments in response to this notice.

On February 25, 2016, FMCSA published a notice in the Federal Register (81 FR 9580) (See Attachment K) with a 30-day comment period that announced that FMCSA was sending this ICR to OMB for 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 4,900 active household goods (HHG) movers¹ and about 500 HHG movers enter the industry each year.² The U.S. Census estimated that 7.3 million Americans moved interstate in 2014.³ The number of persons per household estimated in the 2010 Census, 2.58, implies that there were 2.8 million interstate household moves by that population.⁴ 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.⁵ If the same proportion of all interstate HHG moves were conducted by professional movers in 2014, then that suggests that there were 758,000 professional moves. As it did in the previous three supporting statements, FMCSA assumes that the optimal search depth for shippers is 3 movers, that is, the search costs will outweigh the marginal benefits (a more desirable combination of quality, timeliness, and low cost) of contacting additional companies 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.

Table 1: Key Assumptions

¹ As of November 18, 2014. Includes carriers, brokers, freight forwarders, and enterprise companies.

² Average of calendar years 2012-2014.

³ <https://www.census.gov/hhes/migration/data/acs/state-to-state.html>

⁴ <https://www.census.gov/prod/cen2010/briefs/c2010br-14.pdf>

⁵ AMSA, About Our Industry, <http://www.promover.org/content.asp?pl=1&sl=61&contentid=61> (Accessed June 9, 2015).

HHG Movers	Annual Entrants	Annual Shipments	Movers Contacted per Shipment
4,900	500	758,000	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 0.758 million HHG moves occur each year and that shippers contact on average 3 movers for every shipment. It is estimated, therefore, that 2.3 million (0.758 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 require movers to provide certain information to prospective shippers, including the following:

1. A copy of Department of Transportation publication FMCSA–ESA–03–005 (or its successor publication) entitled “Ready to Move?”⁶ with every written cost estimate.
2. The contents of part 375 appendix A, entitled “Your Rights and Responsibilities When You Move”⁷ (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?” (Attachment L). 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 website in under 1 minute. Given the 2.3 million written estimates, there will be an estimated 910,000 (2.3 million × 40 percent) requests for paper versions of the “Ready to Move?” pamphlet. Each HHG mover will have to create on average

⁶ <http://www.protectyourmove.gov/documents/ReadyToMove-2006-april.pdf> (Accessed February 6, 2012). (CHECK LINKS)

⁷ <http://www.protectyourmove.gov/documents/moving-rights-v9-final.pdf> (Accessed February 6, 2012). (CHECK LINKS)

186 (910,000 pamphlets ÷ 4,900 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 1,200 hours (4,900 movers × 0.25 hours). Including a copy of this document with the written estimate will be a negligible source of additional burden.

Pamphlets (millions)	HHG Movers	Pamphlets per Mover	Annual Burden Hours per Mover	Total Annual Burden Hours
0.91	4,900	186	0.25	1,200

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 758,000 HHG shipments that occur each year.

To calculate the burden associated with the “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 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 (25 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 303,000 (0.758 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.

Table 3: Burden Associated with Producing other Required Consumer Information					
	A	b	C	d	e
Type of Document	Copies (=Shipments) (millions)	Pages per Copy	Total Pages (millions) (a × b)	Pages per 1/2 Hour	Total Annual Hourly Burden (c ÷ d × 1 million)
Rights and Responsibilities	0.30	25	7.58	800	4,700
Complaint & Inquiry Program Summary	0.76	1	0.76		500
Arbitration Procedure Summary	0.76	1	0.76		500
Total	1.82		9.096		5,700

In addition, the total annual burden for new HHG movers to create the required summary documents is estimated to be 2,000 hours (500 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 “Ready to Move?” with every written estimate and “Your Rights and Responsibilities When You Move” before an order for service 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 4,900 HHG movers. This results in a total of 2,500 burden hours (4,900 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 800 hours (2,500 hours × 1/3).

Table 4: Burden Associated with Internet Website Hyperlinks				
HHG Movers	Hyperlinks	Burden Hours per Mover	Total Burden Hours	Annual Burden Hours (1/3 of Total)

4,900	2	0.5	2,500	800
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Signed Receipt for Verification of Booklets Received

As previously noted above, 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 450,000 receipts (60 percent of 758,000 shipments) that must be kept on file for one year. On average, each HHG mover would have to perform this process approximately 93 times every year (4,540,000 ÷ 4,900 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 19,600 hours.

Receipts (millions)	HHG Movers	Receipts per Mover	Annual Burden Hours per Mover	Total Annual Burden Hours
0.454	4,900	93	4	19,600

Subtotal for IC1

The total annual burden for IC1, Required Information for Prospective Individual Shippers, is estimated to be **29,300 hours** (1,200 hours for “Ready to Move?” pamphlet + 5,700 hours for other materials + 2,000 hours for new firms to create summary documents + 800 hours for website hyperlinks + 19,600 hours for signed receipts).

IC 2: Estimating Charges

As required by 49 CFR §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 mover’s 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; and
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 the 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 2.3 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%	1.36	2	2,728,800
	Non - Binding	35%	0.80	2	1,591,800
No Physical Survey	Non - Binding	5%	0.11	0.5	56,850
Total		100%	2.27		4,377,450

The Agency estimates that 10 percent or 91,000 (10% × 0.91 million estimates), of 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 only for the 500 new movers that enter the industry each year. Given the negligible nature of this burden, the Agency does not include it in these burden calculations. The total annual burden for IC2, Estimating Charges, is estimated to be **4,377,450 hours**.

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 0.758 million HHG moves per year. Under subpart E of part 375, three items are required to be prepared for every shipment: an order for service, 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 written weight tickets for each shipment.

Orders for Service, Goods Inventories, and Bills of Lading

Preparation of orders for service, 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 preparation of the bill of lading and the order for service are estimated to take 0.5 hours each per shipment.

	Documents (=HHG Shipments) (millions)	Annual Burden Hours per Document	Total Annual Burden
Orders for Service	0.758	0.5	379,000
Bills of Lading	0.758	0.5	379,000
Total	1.516		758,000

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 fraction or numbers of shipments charged according to volume or weight. It continues to assume, however, 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 is contained in 49 CFR §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.

Table 8: Burden Associated with Weight Tickets			
Shipments (millions)			
Total	40% with Non-Binding Estimates (=Weight Tickets)	Minutes per Response	Total Annual Hourly Burden
0.758	0.303	1	5,100

Subtotal for IC3

The total annual burden for IC3, Pickup of Shipments of Household Goods, is estimated to be **763,100 hours** (758,000 hours for orders for service and bills of lading + 5,100 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 part 375, movers are required to generate and maintain notifications of both delays (§ 375.605) and early delivery (more than 24 hours before the specified date) (§ 375.607) of shipments, and to furnish to shippers upon request the records of contact regarding delays. The notifications regarding delays 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.

Table 9: Burden Associated with Notifications of Delays and Early Delivery				
	Shipments			
	Percent	(millions)	Minutes per Response	Total Annual Hourly Burden
Total		0.758		
Delayed	20%	0.152	5	12,600
Delayed AND Contact Record Requested	4%	0.030	15	7,600
Early	2%	0.015	5	1,300
Sum		0.197		21,500

Storage-in-Transit (SIT) Expiration

Under 49 CFR 375.609, movers holding goods for storage-in-transit (SIT- the temporary warehouse storage of a shipment pending further transportation) must notify shippers of the expiration of their storage periods at least 10 days in advance. After the 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, or certified mail, return receipt requested. 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, carriers must maintain records of these notifications, although the regulations do not specify that these records be kept in a written format.

When FMCSA promulgated the HHG consumer protection regulations, the Agency assumes that 10 percent of shipments would be in SIT expiration situations. The Agency believes that HHG movers will follow the most expeditious, least burdensome and least costly method to generate these notifications, which FMCSA assumes to be a company standard e-mail message. These notifications will be generated either automatically or with minimal input from company staff, resulting in negligible burden. But, 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 **21,500 hours**, comprised entirely of the burden associated with the notifications of delays and early deliveries.

IC5: Consumer Complaints

Under 49 CFR 375.209, 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 500 new firms will have to establish record-

keeping procedures. The Agency estimates the paperwork burden time for logging the complaints in accordance with §375.209, not the time needed to resolve the complaint.

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, two complaints or inquiries. The nature of the complaint or inquiry will determine, in part, which method of communication a shipper uses. FMCSA and local Better Business Bureaus logged approximately 13,600 (11,000 to the Better Business Bureau in 2013 and an average of 2,600 annually to FMCSA 2012-2014) complaints in 2013 against HHG movers.⁸ A 1999 study into consumer complaints conducted by Saint Louis University on a focus group of consumers⁹ 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 industries¹⁰ 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 generally are 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 sixteen years since this study was produced, consumers and firms may have opted to use email most 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 average number of contacts per complaint. Second, the Agency assumes that the 13,600 complaints referred to FMCSA and Better Business Bureaus are generally the 20 percent of complaints requiring more than 10 contacts. Consequently, if these 13,600 complaints represent 20 percent of all complaints to HHG movers, the Agency can estimate that 68,000 ($13,600 \div 20\%$) total complaints occur each year. Factoring in an average of 5 contacts per complaint, the Agency estimates that HHG movers are keeping 340,000 records ($68,000 \text{ complaints} \times 5 \text{ contacts}$). The Agency also assumes that every HHG shipment will generate on average one non-complaint inquiry.

⁸ <http://www.bbb.org/connecticut/news-events/news-releases/2014/03/consumers-file-more-than-10000-complaints-to-better-business-bureau-about-moving-companies-in-2013/>

⁹ http://www.slu.edu/Documents/business/eec/closing_the_gap.pdf (Accessed March 18, 2010).(CHECK THIS LINK)

¹⁰ For example, franchised auto dealers, used auto dealers, home remodeling, auto repair, roofing contractors.

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.

	Contacts	Not Conducted Electronically (80%)	Minutes per Contact	Annual Hourly Burden
Complaints	340,000	272,000	5	22,700
Inquiries (=Shipments)	758,000	606,400	1	10,100
Total	1,098,000	878,400		32,800

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 **250 hours** (500 new firms × 0.5 hours).

Subtotal for IC5

The total annual burden for IC5, Consumer Complaints, is estimated to be **33,050hours** (32,800 hours for recording complaints and inquiries + 2500 hours for establishing record systems).

IC6: Consumer Complaints

Consumers may initiate consumer complaints with FMCSA against HHG movers by completing an online complaint.¹¹ The Agency receives about 2,600 complaints via this online interface each year. FMCSA estimates that it takes ten minutes to enter the required information, resulting in (rounded to the nearest 100 hours) annual burden of 400 hours (2,600 complaints × 10 minutes per form ÷ 60 minutes per hour).

IC1-6: Total Burden of HHG Consumer Protection Regulations

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

Table 11: Summary of Annual Burden for IC1-6

¹¹ <http://nccdb.fmcsa.dot.gov> (ACCESSED 2/8/2016).

	Type of Response	Respondents	Responses	Annual Hourly Burden
IC1	Informational Documents Provided to Prospective Shippers	4,900	3,184,600	29,300
IC2	Written Cost Estimates for Prospective Shippers		2,274,000	4,377,450
IC3	Orders for Service, Bills of Lading		1,819,200	763,100
IC4	In-Transit Service Notifications		197,080	21,500
IC5	Complaint & Inquiry Records, Including Establishing Record System		878,900	33,050
IC6	Household Goods - Consumer Complaint	2,600	2,600	400
Total		7,500	8,356,380	5,224,800

Estimated Annual Number of Respondents: 7,500 [4,900 HHG Movers + 2,600 Consumers]

Estimated Annual Number of Responses: 8,356,380 [IC1 3,184,600 + IC2 2,274,000 +IC3 1,819,200 + IC4 197,080 +IC5 878,900 + IC6 2,600 = 8,356,380].

Estimated Annual Burden Hours: 5,224,800 [IC1 29,300 + IC2 4,377,450 + IC3 763,100 + IC4 21,500 + IC5 33,050 + IC6 400 = 5,224,800].

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 272,000 complaints and inquiries, as well as 606,400 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 56 complaint and inquiry records (272,000

paper records ÷ 4,900 firms) and 124 receipts of verification (606,400 receipts ÷ 4,900 firms), resulting in a total of 180 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 4 file inches (180 paper records ÷ 50 records per inch = 3.6 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.¹² First, there are 15 file inches of letter-sized paper records per cubic foot, so each firm will use 0.4 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 30,320 of these mailings occur each year.

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

Table 12: Summary of Annual Costs to Respondents						
Collection		Number of Documents	Pages per Document	Total Pages	Total Paper Cost @ \$0.15 per Page	
IC 1	"Ready to Move?"	909,600	2	1,819,200	\$272,880	
	"Rights & Responsibilities"	303,200	25	7,580,000	\$1,137,000	
	Complaint & Inquiry Program Summary	758,000	1	758,000	\$113,700	
	Arbitration Procedure Summary	758,000	1	758,000	\$113,700	
IC 2	Written Cost Estimates	2,274,000	1	2,274,000	\$341,100	
IC 3	Service Orders	758,000	1	758,000	\$113,700	
	Bills of Lading	758,000	1	758,000	\$113,700	
	Weight Tickets	303,200	1	303,200	\$45,480	
					\$2,251,260	
		Number of	Records	Cost	New	Total

¹² See e.g., <http://www.colorado.gov/dpa/doit/archives/rm/schools/Measurement.pdf>. (Accessed March 23, 2010)

		Paper Records	per Firm	per Firm	Firm s	Record Storage Cost
IC 5	Storage of Complaint & Inquiry Records	878,400	180	\$100	500	\$50,000
		Number of Requests		Cost per Mailing		Total Mailing Cost
IC 4	Requests for Records of Delay Notifications	30,320		\$0.50		\$15,160
TOTAL CAPITAL COSTS						\$2,316,420

Estimated Annual Cost to Respondents: \$2,316,420 [IC1 \$1,637,280 + IC2 \$341,100 + IC3 \$272,880 + IC4 \$15,160 + IC5 \$50,000].

14. Estimate of Cost to the Federal Government.

The cost to the Government will be the time spent by staff responding to complaints submitted by consumers against household goods carriers, estimated to be approximately \$619,000 per year. 13 FMCSA personnel at headquarters and other locations spend 25% of their time responding to complaints. Using a breakdown of 1 GS-14, 2 GS-13, 9 GS-12, and 1 GS-11 for the 13 staffers, and DC area salary tables at step 5¹³ the \$619,000 annual cost was calculated. This includes fringe benefits of 33%¹⁴ and overhead of 58%.¹⁵

15. Explanation of Program Changes or Adjustments.

This extension includes a program adjustment decrease of 435,920 estimated annual number of responses [8,792,300 currently approved estimated annual number of responses – 8,356,380 proposed estimated annual number of respondents = -435,920], decrease of 299,700 in the estimated annual burden hours [5,524,500 currently approved estimated annual burden hours - 5,224,800 proposed estimated annual burden hours = - 299,700], and a decrease in estimated annual costs to respondents of \$2,199,680 [\$4,516,000 currently approved estimated annual cost to respondents - 2,316,320 proposed estimated annual cost to respondents = -\$2,199,680]. The adjustments are primarily due to a change from 6,000 to 4,900 in the estimated number of carriers affected by the ICR requirements, and a decrease from 600 to 500 in the number of new carriers affected by the ICR requirements annually.

¹³ <http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2015/DCB.pdf>

¹⁴ OMB object class analysis estimates that in 2014 the Department of Transportation spent \$6,544 million in employee compensation and \$2,151 million in employee benefits

¹⁵ <http://www.volpe.dot.gov/work-with-us/volpe-project-costs> accessed August 4, 2015

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 4,900 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 the website where consumers may file complaints against household goods carriers. This website is managed by FMCSA, and can be updated with new expiration dates 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.