

**SUPPORTING STATEMENT
FOR REQUEST OF OMB APPROVAL
UNDER THE PAPERWORK REDUCTION ACT AND 5 C.F.R. § 1320**

The Surface Transportation Board (STB or Board) requests a three-year extension of approval of the regulations governing disclosure requirements for Household Goods Movers' Disclosure Requirements.

A. Justification:

1. Need for Information in Collection. 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).

Prior to these laws, 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 Released Rates of Motor Common Carriers of Household Goods, Docket No. RR 999 (Amendment No. 5) (served Jan. 21, 2011 and Jan.10, 2012 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). 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. Use of Data Collected. Motor common carriers of household goods and freight forwarders (Movers) are required to 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. Consumers are able to make a more informed choice. Therefore, these disclosure requirements fulfill the statutory duty imposed on the Board in SAFETEA-LU.

3. Reduction through Improved Technology. 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 Movers provide to consumers regarding household movers' liability. No other Federal agency requires this notice, even though it is required to be included on a form that the Federal Motor Carrier Safety Administration (FMCSA) requires Movers to give to their household goods customers. See 49 CFR 375.213.

5. Minimizing Burden for Small Businesses. Approximately 4485 small entity Movers were required to revise (one-time) the notice that they are already providing to their customers. New Movers will have no additional expense because they must create the forms anyway and can simply add the released rate at no additional cost as they already have that information. Therefore, no small entities will be significantly affected by this collection.

6. Consequence if collection not conducted or conducted less frequent. 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 and the Board would be unable to complete its statutory responsibility.

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

8. Consultation with Outside Agency. The Board published a notice in the Federal Register, providing a 60-day comment period regarding this collection. See 85 Fed. Reg. 10506 (February 24, 2020). No comments were submitted. A 30-day notice was published concurrently with this submission to Office of Management and Budget (OMB). See 85 Fed. Reg. 23590 (April 28, 2020).

9. Payments or Gifts. No payments or gifts to respondents are made.

10. Confidentiality. No confidential information is involved in this disclosure requirement.

11. Sensitive Information. This collection contains no information of a sensitive nature.

12. Estimated Annual Burden Hours. 112.5 hours. The original burden for Movers to add a released rates disclosure requirement to an existing form was a one-time, start-up cost and was considered in the cost analysis of the Board's initial approval for this collection (as all Movers had to replace their existing forms). There remains one on-going burden. New entrant Movers may have additional work to include this notice on the form required by FMCSA. Staff estimates that this cost is limited because the form and the added released rate language is widely available in the industry and not proprietary. Staff estimates that there will be about 225 new entrants each year (approximately five percent of the total 4,500 respondents). These new entrants would require approximately one hour to review the released rate decision and to cut and paste the warnings/disclosures into a general electronic form, but only a portion of that time would be allotted to the Board's released rate disclosure requirement. The 225 new entrants are estimated to spend about an hour to prepare the electronic form with less than half of that time required to prepare the released rates portion. Therefore, the Board estimates that the annual hourly burden for this collection is 112.5 hours per year for the industry (225 responses annually $\times \frac{1}{2} \times 1 \text{ hour} = 112.5 \text{ burden hours}$).

13. Estimated Total Annual Cost to Respondents. None. Movers may provide these forms to shippers electronically.

14. Annualized Cost to the Federal Government. 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. Explanation of Program Changes or Adjustments. This is an existing collection, which is being adjusted to reflect the impact on new Mover entrants into the industry. As explained above, there is expected to be about 225 new entrants each year (approximately five percent of the total 4,500 respondents). These new entrants would require approximately one-half hour to review the released rate decision and to cut and paste the warnings/disclosures into a general electronic form. Thus, the 225 new entrants are estimated to spend about 112.5 hours annually to prepare the released-rate portion of the required electronic form.

16. Plans for tabulation and publication. None.

17. Display of expiration date for OMB approval. No form is used by the Board for this collection. FMCSA requires a form to which the released rate notice requirements may be included. Therefore, once the collection is approved, the Board will display the control number and expiration date of the collection by publishing a special notice in the Federal Register stating the control number and expiration date of the collection as provided in 5 C.F.R. § 1320.3(f)(3).

18. Exceptions to Certification Statement. Not applicable.

B. Collections of Information Employing Statistical Methods:

Not applicable.