

My name is Joseph M. Harrison. I am the President of the American Moving and Storage Association (AMSA) with offices at 1611 Duke Street, Alexandria, VA 22314.

AMSA is the national trade association of the regulated moving and storage industry with 3,475 members worldwide representing the entire spectrum of the industry, including approximately 20 national van lines, 2,120 independent regulated carriers, 760 agents of van lines, and over 300 international movers. These entities contract with 30,000 independent owner-operators (drivers) who own equipment and perform much of the physical transportation of household goods. Many, if not most, AMSA members are small business owners, many of whom are 3rd and 4th generation movers.

The industry employs roughly 450,000 workers, operates 41,000 trailers, 26,000 tractors and 23,000 straight trucks and generates revenues of \$10 billion annually. We operate in every city, town, borough and hamlet in the United States. In addition to our interstate transportation service, we perform the intrastate and local moving and storage services that are required by consumers, industry and the government, most notably, our military men and women, who we are proud and honored to serve. AMSA

members perform nearly 1.5 million interstate household goods moves each year, the majority of which occur to the satisfaction of the customer.

AMSA members are routinely trusted with not only the personal effects of their customers, the relocation of high-ranking officials, but also uniquely “sensitive” items such as the National Christmas Tree displayed on the Capitol Mall each year; this past year, transported by National Van Lines, headquartered in Chicago, IL; Allied Van Lines, also headquartered in Chicago, relocated an ancient dinosaur collection to the Chicago Museum of Art; and Security Moving & Storage, an agent for United Van Lines, relocated President and Mrs. Bush from Texas to the White House.

Speaking of President Bush, one of our members, Chuck Kuhn, President and CEO of JK Moving and Storage, headquartered in Sterling, VA, recently hosted a town hall meeting in which President Bush addressed the nation on issues affecting small businesses—the engine of our national economy.

Towards that end, AMSA has consistently supported Congressional efforts to remove barriers impeding small business growth, such as excessive taxation, excessive regulation, and excessive litigation. In addition, AMSA has worked with Congress and the Administration to rid the marketplace of a small band of “rogue” movers who prey on unsuspecting consumers, and who in their blatant disregard for federal regulations, operate on an “uneven

playing field” and thus, at a competitive advantage over regulatory-compliant AMSA members.

This statement is submitted in response to the Subcommittee’s invitation to participate in its hearing on Protecting Consumers from Fraudulent Practices in the Moving Industry.

**THE POSITIVE EFFECTS
OF THE 2005 LEGISLATION**

Members of this Subcommittee are to be congratulated for your important role in fashioning the “Household Goods Mover Oversight Enforcement and Reform Act of 2005.” This legislation was a major step towards improvement of many aspects of the moving process consumers must deal with when contracting for an interstate move.

From the moving and storage industry’s perspective, we believe we possess a clear understanding of the added steps movers should be required to follow to improve the consumers’ moving experience. That is why the industry vigorously supported the following measures that were enacted as part of the 2005 legislation:

- Full replacement value carrier liability for loss or damage.
- Expanded mandatory arbitration for loss or damage and transportation charges to \$10,000 from \$5,000.
- Criminal and civil penalties for holding shipments hostage.

- Written estimates of charges based on actual surveys of goods.
- Written binding or non-binding estimates of charges.
- Use of actual shipment weight as the basis for charges on all non-binding estimates.
- Tougher broker operating requirements.
- Tougher licensing requirements for motor carriers and brokers.
- A DOT database for shipper complaints weighted by size of mover (shipments) with public access on the Web.
- Collection at delivery of charges for services requested by the customer only and the billing of balances due after delivery.
- Providing all prospective shippers with the DOT brochure “Ready to Move.”

Quite naturally, these provisions have added to the regulatory burden legitimate movers must bear when they transport interstate shipments. My industry is well aware of this fact. Nonetheless, we enthusiastically supported enactment of each provision because we believe all movers should comply with these requirements when dealing with consumers. We also believe that, as the shipping public becomes more aware of the responsibilities of interstate movers, they will be better able to distinguish between legitimate movers and the rogues that prey upon the public and, not

surprisingly, do not comply with any of the DOT FMCSA Consumer Protection Regulations or any other federal regulatory requirements.

Your Subcommittee should also be complimented for authorizing funds to FMCSA for consumer oriented outreach initiatives and increased enforcement and oversight of the moving industry. This action has transformed FMCSA into a significantly more effective enforcement agency. For its part, AMSA has assisted the FMCSA staff with certain aspects of those activities. AMSA staff members and member carriers have worked closely with FMCSA investigators to provide them with information on the operational aspects of the services performed by movers and on interpretation of the Consumer Protection Regulations.

AMSA is committed to continuing its cooperation with FMCSA and its investigators as they conduct compliance audits of the operations of established household goods carriers, including AMSA members, and pursue unlawful operators. AMSA also intends to participate in several rulemaking proceedings FMCSA will initiate to implement those provisions of the 2005 legislation that require amendments to the Consumer Protection Regulations. AMSA will also continue its vigilance in all matters that are designed to assist consumers when selecting and utilizing the services of interstate movers. This includes the AMSA Arbitration Program which,

during the last 5 years, has processed 3,000 consumer inquiries and successfully concluded nearly 1,300 arbitration cases. In addition, we will continue to impress upon our members the importance of the AMSA Certified Mover Program through which the AMSA staff receives and endeavors to resolve consumer service complaints.¹

In addition to assisting consumers with complaints and service problems associated with their move, AMSA provides educational materials regarding the entire moving process. Providing consumers with information and the help they require to make informed moving decisions, including the best way to select a mover, is as important as the federal regulations that are designed for their protection. For a number of years AMSA has maintained a consumer website (www.moving.org) devoted exclusively to the education of consumers, information on the federal regulatory requirements, how to avoid moving scams, and a link to the FMCSA educational website (www.protectyourmove.gov).

AMSA has also worked with FMCSA on the development of materials for their educational consumer outreach efforts. We also recently provided consumer educational moving-related information to Lowes,

¹ A voluntary self-policing program designed to promote ethical principles and practices in the moving and storage industry. Members pledge to conduct their operations in a manner that encourages high professional standards and quality service. Information about the program is on the AMSA consumer web site www.moving.org.

Apartments.com, Verizon, Bell South and AT&T, which will become part of each company's "moving tips" websites resulting in even greater opportunities to educate consumers about the relocating process.

AMSA and its members are committed to the proposition that educated consumers are better able to avoid unlawful operators and the practices they employ. One of our members took a major step in this direction when it established a program identified as "Move Rescue" that assists consumers that have been deceived by unscrupulous operators. Through this program shippers can call an "800" number to speak to a moving expert and obtain guidance on how best to address their problem including, if necessary, assistance in retrieving goods that are being held hostage since, while enforcement officials have the badges, they do not have the trucks and crews that are necessary to actually finish a move and ensure that a family's possessions are delivered to their rightful owners.

STATE ENFORCEMENT OF THE FEDERAL CONSUMER PROTECTION REGULATIONS

AMSA and its members have approached the need for consumer friendly legislation in a cooperative manner. We have not resisted sensible changes that work to the benefit of consumers and curb the ability of rogue movers to take advantage of the moving public. That said, AMSA has also supported State enforcement of the Consumer Protection Regulations

provided those enforcement efforts were directed against operators that possess the indicia of unlawful or rogue movers (e.g., unlicensed by DOT; failure to maintain required insurance; failure to publish a tariff or participate in an arbitration program, etc.) and, provided further, that the States' enforcement actions, if they require court involvement, would occur in the federal district courts with jurisdiction in all such matters just as they do today with all DOT FMCSA enforcement actions.

Enforcement by 50 States of every aspect of the physical operations conducted by legitimate movers, in our view, would be a seriously flawed proposition. Our business is the clearest possible example of interstate commerce. Consistency in the interpretation and enforcement of regulations and statutes is critical to consumers and to the moving industry.

AMSA has been a vigorous supporter of increased federal enforcement. In fact, FMCSA's significant progress in this area through its compliance audits should be commended by Congress. These audits involve reputable carriers as well as unlawful operators that may or may not be licensed by FMCSA. They are initiated by either consumer complaints or as part of a safety compliance survey. It is my understanding that nearly 400 such surveys were conducted by FMCSA in its most recent fiscal year.

Just 5 years ago, the General Accountability Office noted that no State enforcement of the federal operating regulations would be appropriate until a strong federal regulatory system was in place.² GAO also recommended that sufficient time should pass to assess the effects of DOT's enforcement actions before State enforcement of federal statutes and regulations is considered.³ Therefore, AMSA believes, just as GAO does, that the full effects of the FMCSA enforcement efforts should be realized before consideration is given to an additional enforcement role for the States. State enforcement activities should be directed with precision at those elements of the moving industry that have demonstrated their contempt for the well being of consumers. And all of those enforcement actions should be initiated in the federal courts.

It is generally understood that an enforcement action exercised by a government agency is intended to compel compliance with a law or regulation. This contemplates that an enforcement agency charged with this responsibility understands the regulation it is required to enforce and, most importantly, the nuances of permissible and impermissible actions by those that must comply with the regulation or body of regulations. Clearly, this

² GAO Report Consumer Protection—Federal Actions Are Needed to Improve Oversight of the Household Goods Moving Industry, March 2001, p. 6.

³ Id., p. 23.

will not be the case if expanded State authority authorizes enforcement of the federal consumer regulations and particularly if this occurs in State courts. To understand this situation it is appropriate to review the effectiveness of State regulation of the intrastate transportation of household goods.

As many as 14 States do not require a license to engage in the intrastate transportation of household goods.⁴ There is virtually no regulation of movers in those States and, obviously, there are no operating standards or regulations of any sort much less regulations that are as comprehensive as the federal regulations. Taken as a whole, the States' regulation of household goods transportation is a collage of inconsistencies.⁵ AMSA's 2,100 regulated interstate movers are thoroughly familiar with this situation since they also perform local and intrastate moving services in every State and it is accurate to say that no State enforces operating regulations that even closely resemble the federal regulations in their comprehensiveness.

⁴ AK, AR, AZ, CO, DE, ID, MD, ME, SD, TN, UT, VT, WI and WY. The State Moving and Storage Associations in several of these States have urged State officials to, at a minimum, establish a State registration system for movers, without success. The most common venue for shipper recourse against an intrastate mover in these States is a small claims court.

⁵ Many State PUCs or other agencies having some role in intrastate regulation are also required to oversee the operations of tow truck operators, taxicabs, bus operators and trash haulers.

It is not necessary that I explain in detail the attributes possessed by the federal courts when called upon to interpret and enforce federal statutes and regulations. They are routinely doing it today as they process FMCSA cases involving violations of the agency's safety regulations or household goods regulations. The consistency resulting from that process is essential to the sound administration and enforcement of federal regulations.

The highly successful "strike force" enforcement initiatives conducted by the DOT have ferreted out and prosecuted scores of unlawful movers and brokers that operated from various sections of the Country taking advantage of unwary consumers. The background and modus operandi of those operators confirms that most possess certain common characteristics that many other, as yet, undetected unlawful operators also possess:

- They failed to register with and obtain a license from FMCSA to engage in the interstate transportation of household goods;
- if they possess an FMCSA license or permit, it is in a pending status or has been revoked for failure to provide evidence of bodily injury and cargo liability insurance;
- if the carrier has been issued an FMCSA license, it has an unsatisfactory safety rating or it has not been rated by FMCSA;

- if the carrier or broker is licensed, the license was issued less than 5 years before the enforcement action.

Today, State enforcement authorities that encounter carriers or brokers that possess one or more of these characteristics can effectively deal with them. The States should continue their efforts to identify and terminate the operations of unlawful operators thus delivering a major blow to their operations. The end result is a sensible, effective State/federal partnership to stop unlawful activities, an objective that benefits all consumers that require the services of interstate household goods carriers. AMSA would welcome the opportunity to continue to work with members of this Subcommittee and your staff to ensure that this objective is met.