Remarks by Anne S. Ferro FMCSA Administrator "Improving Consumer Protections for Household Moves" National Conference of State Transportation Specialists & National Council of Moving Associations Lombard, IL June 11, 2012

Introduction

Good afternoon, everyone. Thank you, Pat, and Dave, for inviting me to speak at the first-ever combined meeting of NCSTS & NCMA. This is a great opportunity for FMCSA. We are very pleased to be a part of this partnership. We work together on so many levels – UCR Board to safety to consumer protection.

Safety is the USDOT's our number one priority. And at the Federal Motor Carrier Safety Administration, we see a correlation between safety and good customer service. The companies that make safety a top priority also protect their customers.

All of us at FMCSA are committed to keep building on our promise to keep motor carriers as safe as possible and to hold rogue companies accountable. It takes a team and today from our Headquarters Household Goods Team is Monique Riddick. She is a great resource for you and I encourage you to introduce yourselves to her. And, Darin Jones, our Field Administrator here in the Midwest is here as well.

FMCSA's Safety-First Mission

Recently, FMCSA completed a 5-year Strategic Plan to take us through 2016. It takes a holistic approach to how we achieve our safety mission and places a heavy emphasis on safety throughout every aspect of the commercial vehicle industry.

To turn the plan into action takes a mix of programs, rules and enforcement tools based on three guiding principles: to raise the safety bar to enter the industry; to require high safety standards to operate, and to remove high-risk carriers, drivers and vehicles from the road.

Our strategy is simple: Apply all three core principles to motor carrier, driver and vehicle safety. So, how does that translate into household goods?

Ridding the Industry of Rogue Companies

This summer alone, an estimated one million people in America will move. We have been busy ensuring that the public receives the best treatment possible from the moving industry and that carriers are in full compliance with our safety and consumer protection regulations.

It starts at the point of application. Since we began carefully screening applications for authority, known as vetting, in 2009, close to 40 percent of all applications for household goods authority have been rejected, dismissed or withdrawn. They are rejected for reasons ranging from affiliation with an out-of-service carrier; incomplete application; inadequate insurance or a poor safety history.

However, once carriers enter the industry, some do not operate at the required compliance level required in order to continue to their operations.

To take quick action on these companies, we are revising the procedures and processes in our regulations.

These changes will allow us to more quickly suspend the registrations of rogue companies that have repeat offenses, fail to deliver consumers' possessions, and collect fees above the original binding estimate.

An unprecedented push is being made to catch these rogue companies. So far, this year, FMCSA has received a total of 1,127 complaints of which 143 were hostage load-related. We use the data, together with safety history to target our work and once we identify fraud; the OIG is utilizing a specially trained HHG team to go after cases of criminal behavior.

We are strategically using our resources to try to catch companies that operate unsafely and intentionally do harm to innocent people and damage the industry at large.

Working Group

You have been leaders in identifying fraud and educating consumers.

We welcome your participation in a Household Goods Working Group composed of industry members and regulatory agencies to improve consumer protections and to work together all across the country on improving compliance.

To make the working group a success, we need more participants from the industry. Please consider joining us in this important cooperative effort.

The next quarterly meeting by conference call is July 25. If you would like to join us, please see Monique for more information. At a recent meeting, we focused on how to detect and deter false advertising. When you identify carriers using false advertising, please contact our Household Goods Team and we will investigate.

Enforcement Partner Programs

We can also effectively work together through an enforcement partner program that helps to train state officials to conduct interstate household goods compliance reviews.

Ohio and Louisiana have joined the enforcement partner program this year.

Other states have expressed serious interest in taking part in household goods enforcement training including Texas, South Carolina, Michigan, Hawaii, Arizona and New Jersey.

These states are force multipliers on our efforts to tackle the rogue companies. If your state hasn't expressed interest to date, encourage them to join our partner

program. It is one more way to protect consumers and improve the chances of catching and shutting down unsafe and illegal companies.

Strong Enforcement through CSA

It has been 18 short months since we rolled out our centerpiece enforcement program, Compliance, Safety, Accountability or CSA. It has proven to be an increasingly sharp enforcement tool that's given us a far greater ability to identify the at-risk carriers—both truck and bus—we need to visit.

We have seen many carriers bring their scores down below the alert status by using the system to identify and correct their problems. To us, this proves the concept that what gets measured gets done! In fact, 8 out of 10 carriers that received only a warning letter from us had lower scores 12 months later.

Both large and small carriers are using our Safety Measurement System, or SMS, to monitor and improve their scores. Over the past year alone, our SMS website recorded 27 million visits. At the same time, rates of all safety violations have dropped by 9 percent and driver violation rates decreased by 12 percent. We hear from carriers that drivers are paying more attention than ever to driving safely. Needless to say, this is feedback we love to hear.

We also know that the increased use of inspection data has highlighted areas where the agency can improve – uniformity and training.

National Registry of Certified Medical Examiners

Driver safety is impacted by driver fitness, health and wellness. In our work to support driver safety, last month we issued a final rule that sets baseline training and testing standards for medical professionals who perform driver physicals through the establishment of a National Registry of Certified Medical Examiners.

This rule, which is required by federal law, will help ensure that medical examiners complete a training course and pass an examination to prove they understand FMCSA's medical standards.

Our goal is to ensure that the examiners understand FMCSA's medical standards in order to avoid mistakenly issuing medical cards to drivers who should not be operating commercial vehicles.

No driver should mistakenly be issued a medical card without being medically qualified. You can imagine what could happen if a driver had a stroke or heart attack behind the wheel of a truck or bus because a proper diagnosis and treatment was neglected or overlooked. That is why this is a critically important safeguard. We need to ensure that medical examiners know FMCSA's medical standards.

Drug & Alcohol Database

Later this year we plan to issue a notice of proposed rulemaking to establish a clearinghouse to track commercial drivers' positive drug and alcohol tests and

refusals. The rule would require employers, with the drivers' consent, to check the database before hiring.

This rule would help save lives by ensuring that CDL holders who test positive or have refused to submit to testing have completed their return-to-duty process before driving. It is also intended to ensure that employers are meeting their drug and alcohol testing responsibilities.

Sleep Apnea

On another medical front, earlier this year, our Motor Carrier Safety Advisory

Committee and Medical Review Board met to finalize their recommendations on
how medical examiners should handle the medical certification process for drivers
with obstructive sleep apnea.

We are still reviewing their recommendations, and we plan to publish them for public comment later this year. The guidance provided by the MCSAC and the MRB will help us better identify and address safety problems resulting from work hours, fatigue and health issues. It's safe to say that the healthier the driver the safer the driver.

Distracted Driving

I want to take a moment to talk about a special message from Secretary LaHood regarding his #1 passionate priority – tackling our nation's distracted driving epidemic. He would remind all of us that "One Text or Call Could Wreck It All!" Another way he might put it is: "No Talking, No Texting, No Ticket."

FMCSA has implemented its texting and hand-held cell phone bans – safety standards that drive home the fact that nothing is so important that drivers should risk their own life and the lives of innocent people.

More than 1,300 CMV drivers and over 1,000 carriers have been cited for using or allowing a driver to use cell phones while driving since the new hand-held cell phone ban became law. Last year, in the first year for the texting ban, we recorded 630 driver violations. So far this year, 774 drivers have been issued texting violations.

I urge all of you to spread the word about these bans on texting and hand-held cell phone use. They are bans we all can literally live with.

Common Sense Consumer Protection

Finally, we want to be sure that all consumers have the resources they need for a safe and hassle free move. The American Moving and Storage Association and the National Council of State Moving Associations have been great partners in this mission.

The "Protect Your Move" web site has been recently updated and expanded to give consumers the information they need to protect themselves from fraudulent moving companies.

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The web site includes a consumer friendly database that allows visitors to look up

interstate moving companies and view both the consumer complaint history as

well as the company's on-road safety performance records.

The web site contains information consumers need before the move and even

after. The site provides consumers a helpful checklist of steps to take before

hiring a moving company and a list of their rights and responsibilities.

An informed consumer is an empowered consumer. If consumers have

complaints, we ask them to call our Consumer Safety Hotline at 1-888-DOT-SAFT

and report it immediately.

Conclusion

At FMCSA, we remain committed to keeping the household goods moving

industry free of rogue or deceitful companies. And, we are committed to keeping

the moving industry safe through important safety regulations.

I know that by working together; we can empower consumers so that they can

PROTECT THEIR MOVE.

Thank you all. ###

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