

**Surface Transportation Board Allows Household Goods Moving Companies to Simplify Liability-Based Rate Offerings; Changes Will Aid Consumer Understanding of Billing Options**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has authorized changes in the way many household-goods moving companies ("movers") bill for their services. The changes should make it easier for consumers to understand the billing options available to them.

The Board acted in response to a request made by the Household Goods Carriers' Bureau Committee (the Committee), a movers' group. In 1993, the Committee had received authority from the Board's predecessor, the Interstate Commerce Commission (ICC), to establish two levels of rates. Under one approach, a consumer's loss-and-damage coverage would be limited to 60 cents per pound, regardless of how much the goods were actually worth. Under the other approach, for a higher rate, consumers could protect the actual (depreciated) value of lost or damaged goods. More recently, several movers began offering a third liability option called "full value protection" (FVP). Under FVP, movers have the option of paying either the repair cost of damaged goods (to restore them to their prior condition) or their replacement cost.

In recent years, most consumers have chosen either the 60-cents-per-pound option or the FVP option that many movers now offer. Because fewer consumers choose the depreciated-value option that the ICC had authorized, the Committee asked the Board to allow its members to offer only the 60-cents-per-pound option or the FVP option, and to eliminate the depreciated- value option. Although movers are now regulated in most respects by the Federal Motor Carrier Safety Administration (FMCSA), the specific activity involved here concerning limitations on liability for loss and damage is subject to the jurisdiction of the Board, rather than the FMCSA.

After reviewing the public comments filed in this case, the Board found that allowing the changes proposed by the Committee should result in a simpler and clearer process for a consumer to select the level of a mover's cargo liability, based upon the rate the consumer is willing to pay. Therefore, the Board approved the Committee's request, subject to certain conditions. In particular, all movers that are Committee members must clearly notify their customers, in writing, that most household goods are worth far more than 60 cents per pound. Also, in addition to the brochure, *Your Rights and Responsibilities When You Move*, a copy of which FMCSA requires movers to provide to all of their customers, the Board required that all movers that are Committee members must provide customers with a current brochure explaining the cargo liability options offered.

The Board issued its decision today in the case entitled *Released Rates of Motor Common Carriers of Household Goods*, Amendment No. 4 To Released Rates Decision No. MC-999. 42027. **A printed copy of the decision is available for a fee by contacting Da-2-Da Legal, Room 405, 1925 K Street, N.W., Washington, DC 20006, telephone (202) 293-7776, or via [http://Da\\_To\\_Da@Hotmail.com](mailto:Da_To_Da@Hotmail.com).** The decision also is available for viewing and downloading via the Board's website at <http://www.stb.dot.gov>.

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