

SERVICE DATE – JANUARY 21, 2011

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SURFACE TRANSPORTATION BOARD

DECISION

Docket No. RR 999 (Amendment No. 5)

RELEASED RATES OF MOTOR COMMON CARRIERS
OF HOUSEHOLD GOODS

Digest:¹ To provide additional protection for customers of interstate moving companies, the Surface Transportation Board adopts two changes concerning the responsibility of these companies to pay for damage to or loss of customers' household goods and requires the moving companies to amend certain documents they provide to consumers accordingly. One change requires moving companies to place on the written estimate for a move an estimate of the cost of the move if the moving company assumes liability for the replacement cost of goods damaged or lost. Another change increases the minimum total and per-pound value to replace a consumer's goods in the event that the goods are damaged or lost and the consumer did not provide a value for the shipment.

Decided: January 19, 2011

This decision implements a congressional directive that we conduct a study, and, as appropriate, adopt rules to enhance consumer protection for losses incurred on interstate household goods moves.² In this decision, pursuant to its study, the Board makes two changes to the rules that apply to such moves to ensure that consumers understand the options available to help protect them financially if their goods are lost or damaged during a move.

The first change will require moving companies to provide certain information on the written estimate (the first required document a potential customer receives from the company): (a) a disclosure statement explaining that customers may select either replacement value (full-

¹ The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited or relied upon as precedent. Policy Statement on Plain Language Digests in Decisions, EP 696 (STB served Sept. 2, 2010).

² See Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), § 4207, Pub. L. No. 109-59, 119 Stat. 1144, 1757 (2005).

value protection) for lost or damaged goods or, for a lower rate, a lesser level of protection; and (b) an estimate of the cost of a move under full-value protection. The second change will enhance the fairness of the method used under full-value protection to reimburse a consumer for the value of a lost or damaged shipment when the consumer had not declared in advance how much the goods were worth.

In addition, the Board addresses the request of one segment of the moving industry to be exempted from these new requirements. A brief discussion of the statutory and regulatory bases for the current cargo-liability provisions will help explain these new protections.

BACKGROUND

Historical Statutory Basis for Carriers' Cargo Liability. Under the Interstate Commerce Act (IC Act), motor carriers of household goods (moving companies) operating in interstate commerce are liable for loss or damage to the goods they transport, up to a specified value. Previously, unless moving companies made other arrangements, they were statutorily liable for the "actual loss or injury" to the goods they transported.³ Because most household goods are used goods, the "actual" value was the depreciated value of the goods. Under the IC Act, however, the Board and its predecessor agency, the Interstate Commerce Commission (ICC), authorized moving companies to offer consumers a lower rate (called a released rate) under which the company assumes less than the full level of cargo liability protection for an interstate move. The industry developed a routine practice, which the ICC sanctioned, under which the typical released rate that was applied had a recovery level of 60 cents per pound. In 2001, the Board approved the moving industry's request for authority to drop the option of offering rates under the then-current statutory level of depreciated value. Instead, with the Board's sanction, the industry offered a full-value-protection option that exceeded the statutory requirement. Under full-value protection, the carrier is generally liable for the replacement value of a lost or damaged item.

The Current Status: Two Consumer Options on Cost and Liability. In SAFETEA-LU, Congress changed the full protection level for interstate moving companies from "actual loss and injury" to "replacement value." Therefore, by federal law, the alternative to the 60-cents-per-pound-liability option, for a customer hiring a moving company to transport household goods between states,⁴ is now a rate for the move that includes replacement-value liability for damage to, or loss of, the customer's goods.

³ See 49 U.S.C. § 14706(a)(1) (1994).

⁴ This decision, concerning interstate moves, does not apply to a move within a single metropolitan area (also known as a commercial zone), even if the move is from one state to another. For example, a move from a close-in suburb of Philadelphia that lies in Pennsylvania to a close-in suburb of Philadelphia that lies in New Jersey is not considered an interstate move.

A. The 60-cents Option.

Under the 60-cents option, the customer pays a base rate that is determined by the weight of the shipment, and the moving company's cargo liability is very low: 60 cents per pound per article. For example, in a move under the 60-cents option, if a late-model television weighing 35 pounds were lost, the moving company would owe the customer \$21.00 (35 pounds multiplied by \$0.60). Because the consequence of selecting the 60-cents option can lead to a consumer experiencing a substantial financial loss if there is damage to, or loss of, the household goods being transported, some consumers separately insure a move shipped under the 60-cents option.

B. Full-Value Protection

A consumer may instead use the full-value-protection option, which equates to providing replacement value. Under this option, a consumer pays a base rate plus an additional charge that varies according to the dollar value of the household goods being transported. When choosing this option, the customer declares a total value (declared value) for the goods in the shipment. In the event of loss or damage to the household goods, the moving company pays the customer the replacement value of goods comparable to those lost or damaged,⁵ up to the declared value of the shipment. When a customer selects the full-value protection option and neglects to provide a total value for the shipment, there is a formula for determining the declared value: the higher of (1) a "minimum shipment value" or (2) the product of multiplying the weight of the shipment (in pounds) times an annually-adjusted "per-pound value."⁶

Need for More Consumer Protection. The Board has long specified procedures to assist household goods customers in understanding the cargo liability options available to them and to ensure that any waiver of the statutory level of liability would be knowing and voluntary.⁷ Yet

⁵ For damaged goods, the carrier may, at its option, either restore the goods to their condition prior to the move or pay the replacement value of the goods.

⁶ In 2001 the Board authorized carriers to set the minimum valuation for a shipment at \$5,000 and the per-pound value at \$4.00. In that decision, the Board also permitted moving companies to adjust the per-pound value annually using a consumer-price index. See Released Rates of Motor Common Carriers of Household Goods, 5 S.T.B. 1147, 1151 (2001) (Released Rates 2001). In 2006 the Board authorized the use of a more accurate government index for adjusting the per-pound value. Released Rates of Motor Common Carriers of Household Goods, RR 999 (Amendment No. 4) (STB served July 26, 2006). In this decision, references to the released rate docket for household goods will cite to "RR 999."

⁷ Those procedures require household goods carriers to inform shippers of their rights and obtain an informed waiver if the shipper elects anything other than full coverage. See Released Rates 2001, RR 999 (Amendment No. 4) (STB served June 13, 2007).

when, in response to Congress' directive in SAFETEA-LU, the Board requested comment on the existing cargo-liability regime, it became apparent that, notwithstanding the existing consumer protection requirements, some consumers were not aware that they had two options of cargo liability when they made an interstate move.

In particular, the Consumer Protection Division of the Office of the Attorney General of Maryland reported that it had received complaints from consumers who were not aware, until experiencing a loss, that the motor carrier they hired for an interstate household move was not fully liable for loss of, or damage to, their household goods.⁸ Consumers informed the Maryland Attorney General's Consumer Protection Division that the carrier had provided only one estimate for a move, under the 60-cents option, and that they did not knowingly agree to limit the carrier's liability.⁹ Consequently, the Consumer Protection Division suggested that the Board require: (1) all shipping documents to include an estimate of the cost of a move under the replacement-value option; and (2) a separate document for the consumer's written waiver of that option.¹⁰

The Board sought public comment on these suggested changes as well as a third proposal: establishing a new base for the minimum shipment value and per-pound value of household goods, in light of the statutory change to replacement value, as the statutory full protection level of cargo liability.¹¹ In response to the Board's request, comments were filed by

⁸ Review of Liability of Motor Common Carriers of Household Goods, EP 662, Comments of Steve Sakamoto-Wengel, Assistant Attorney Gen., State of Md., filed July 19, 2006, at 1-2.

⁹ Id. at 2.

¹⁰ Id. at 3.

¹¹ See RR 999 (Amendment No. 5) (STB served June 13, 2007) (Released Rates 2007), published at 72 Fed. Reg. 33,556-57 (June 18, 2007).

Household Goods Carriers' Bureau Committee (HGCBC)¹² and Household Goods Forwarders Tariff Bureau (Forwarders Bureau).¹³

DISCUSSION AND CONCLUSIONS

Documenting the Full-Value-Protection Estimate and Valuation Statement. At the suggestion of the Maryland Consumer Protection Division, the Board earlier proposed that carriers be required to place an estimate of the cost of a shipment under the full-value-protection option on all documents required in the moving process.¹⁴ Although HGCBC agrees with the proposal to require carriers to provide the full-value-protection estimate, it disagrees with requiring this estimate on every shipping document provided to the consumer (typically an estimate form, an order-for-service form, and a contract/bill of lading). According to HGCBC, the administrative burden and cost of placing the estimate on each document would be great and would conflict with a regulation of the Federal Motor Carrier Safety Administration (FMCSA).¹⁵ HGCBC asks instead that we allow moving companies to place the full-value-protection estimate on the estimate form, the order for service form, or both.

We recognize that it could be burdensome to require moving companies (or their agents) to revise every document required for a household move to include the replacement-value

¹² HGCBC was the principal tariff-publishing, data-gathering, and rate-setting organization of the moving industry, comprised of more than 2,000 interstate motor carriers of household goods. As of January 1, 2008, motor carriers no longer have Board approval to set rates collectively. See Motor Carrier Bureaus—Periodic Review Proceeding, EP 656 (STB served May 7, 2007), corrected (STB served May 16, 2007). According to the website of the American Moving & Storage Association (AMSA), HGCBC disbanded as a result of that decision, effective December 31, 2007. See American Moving and Storage Association, About AMSA: Our History, <http://www.promover.org> (select "About AMSA" drop down; the follow "Our History" hyperlink) (last visited January 20, 2011).

¹³ A freight forwarder is an entity other than a carrier that holds itself out to the general public to provide transportation of property by assembling and consolidating shipments, assuming responsibility for the transportation, and using carriers to provide the transportation. See 49 U.S.C. § 13102 (8).

¹⁴ Released Rates 2007, at 3.

¹⁵ The FMCSA regulation, 49 CFR § 375.501(a)(10), lists the information that carriers must include in an order for service for a household goods shipment, including "[t]he Surface Transportation Board's required released rates valuation statement, and the charges, if any, for optional valuation coverage." A later subsection provides that carriers may place the valuation statement on either the order for service or the bill of lading, provided that the chosen document states the appropriate valuation (declared value) selected by the shipper. 49 CFR § 375.501(h).

estimate. It would be most helpful to consumers, who may seek estimates from more than one company, to find the estimate on the same type of form provided by each company. Because all interstate household-goods shipments require a written estimate, we conclude that it would make the most sense to require the full-value-protection estimate on that form. In this way, the consumer can easily compare the estimates of competing companies by examining the estimate forms. In addition, by providing the full-value-protection estimate on the first of the required forms that a consumer receives from a moving company, the consumer will be on notice from the start that there is an available option under which the household goods would be protected at replacement level. Placement on any other forms that a moving company furnishes would not provide such early notice.

Moreover, because the FMCSA regulation, 49 CFR 375.501(a)(10), refers to the “Board’s required valuation statement,” a carrier that places the valuation statement on the estimate form—as we now direct—would likely not be found to have violated the FMCSA regulation. We will provide a copy of this decision to FMCSA so that it will be informed of the new placement for the valuation statement.

We note that HGCBC tendered with its comments a revised valuation statement designed to meet our requirements. See HGCBC Comments, Exhibit A. The upper section describes the full-value protection option and provides spaces for the consumer to accept that option, write in a total (declared) value of the shipment, and indicate receipt of the required explanatory brochure. The lower section of the revised valuation statement explains the 60-cents option and provides spaces for the consumer to accept this option, waive the replacement-value option, and indicate receipt of the brochure.

As shown in the printed statement in Attachment A to this decision, we will require moving companies to include in the valuation statement a space for the company to write in a dollar estimate of the cost of the shipment under the full-value-protection option. Consequently, consumers will find on the estimate form the following required information: (1) the meaning of the full-value-protection option and the 60-cents option; (2) estimates of the cost of the shipment at full-value protection; and (3) a place for the consumer who selects full-value protection to write in a declared value for the shipment. If the consumer also requests an estimate under the 60-cents option, the moving company must also provide in the required valuation statement a dollar estimate of the cost of the shipment under that option. Consumers would then easily be able to compare the estimates of each moving company they consult, with knowledge of the difference between the two cargo-liability options and the estimated costs of their shipment under both options.

A current FMCSA regulation provides that a carrier’s written estimate becomes an integral part of the bill of lading for a shipment. 49 CFR § 375.505(b)(14). Thus, the valuation statement and dollar estimates we are requiring to be placed on the written estimate ultimately will also be part of the bill of lading.

Valuation Statement and Waiver. As explained above, HGCBC's proposed revised valuation statement (Exhibit A to HGCBC's comments) contains most, but not all, of the information we now will require on the estimate form. Attachment A to this decision amends the revised valuation statement accordingly. We will require carriers to incorporate the statement in Attachment A into their estimate forms, in at least 12-point type.

HGCBC opposes our proposal (suggested by the Maryland Consumer Protection Division) to require moving companies to place the waiver of full-value protection on a separate document. We agree that requiring an entirely separate form for the waiver would increase the paperwork burden for both carriers and consumers. Therefore, we will not require a separate form. Instead, as already explained above, we will require the companies to place the waiver of full-value protection, together with the valuation statement and the estimate of the cost of the shipment at full-value protection, on the estimate form.

Already-Sanctioned Options. In addition to providing the required statement, moving companies may elect to incorporate other already-sanctioned options. HGCBC asks us to permit these companies to also include optional language that allows the consumer to select among deductible amounts for full-value-protection shipments. We agree that moving companies should continue to be allowed to include deductible amounts in exchange for a lower charge to the consumer. As a general premise, the concept of deductibles is familiar to consumers because of automobile, health, and property insurance policies. An approved paragraph concerning deductibles for full-value-protection shipments is included in Attachment B.

HGCBC also asks us to continue to allow moving companies, at their option, to include language limiting a company's liability for articles of extraordinary value that are included in a household goods shipment.¹⁶ When used, this limitation of liability also requires moving companies to furnish, and consumers to fill out, a separate "High Value Inventory Form." The authorized language for this option, called a Declaration of Article(s) of Extraordinary (Unusual) Value, also is included in Attachment B.

Resetting the Minimum Shipment and Per-Pound Values. HGCBC opposes our suggestion to reset the minimum shipment value and per-pound value to reflect the new statutory level of full cargo liability protection—replacement value. As mentioned, these two figures are used when a consumer selects the full-value-protection option but fails to write in a total dollar value for the shipment or declares a value below the established floor. Although HGCBC claims that the indexed per-pound figure (\$4.90, as adjusted in 2007) and minimum shipment value (\$5,000) are based on replacement value, HGCBC nevertheless proposes resetting the per-pound value at \$6.00 and the minimum shipment value at \$6,000.

¹⁶ RR 999 (Amend. No. 5), HGCBC Comments, filed July 30, 2007.

In fact, \$4.90 per pound does not reflect replacement value, as shown by the history of the development of that figure. In 1966, insurance companies provided to the ICC convincing evidence that the “actual current value” of an average household goods shipment was \$1.50 per pound.¹⁷ As noted earlier, “actual value” meant depreciated value because household goods typically are used goods. In 1999, HGCBC indexed the \$1.50 actual-value figure by using a standard price index to arrive at an average actual (depreciated) value of \$4.58 per pound.¹⁸ HGCBC proposed in 1999 that establishing a per-pound value of \$4.00 (about 13% lower than the indexed figure of \$4.58) would “not result in excessive under or over valuation of those goods” for the purpose of furnishing a valuation of a shipment.¹⁹ The Board approved the \$4.00-per-pound figure in 2001 in light of the then-statutory standard for full cargo liability: the actual (depreciated) value of household goods.

Although the \$6.00 per-pound figure (which is \$4.58 indexed to May 2007) now proposed by HGCBC more accurately represents the depreciated value and not the replacement value for a typical shipment of household goods, it is the only record evidence concerning average shipment values. For that reason, and because a \$6.00-per-pound figure will substantially compensate consumers for losses, we will conditionally accept the \$6.00 figure.²⁰

¹⁷ Practices of Motor Common Carriers of Household Goods, 102 M.C.C. 267, 270 (1966).

¹⁸ HGCBC Application, filed Aug. 5, 1999 in RR 999 (Amend. No. 4), at p. 10 & Table 2.

¹⁹ Id. at p. 12.

²⁰ We have indexed the \$4.58 figure through 2009, using the Consumer Price Index – All Urban Consumers, All Items (1999 = 100):

Year	Annual Index	Year to Year % Increase	Year to Year Cumulative Increase
2006	201.6	3.2	21.00
2007	207.342	2.8	24.45
2008	215.503	3.8	29.23
2009	214.537	-0.4	28.77

Indexing the \$4.58 by 28.77% results in a minimum valuation amount of \$5.90

$$(\$4.58 \times 1.2877 = \$5.90, \text{ rounded to } \$6.00).$$

In light of the fact that the \$6.00 figure is related to depreciated value, we will hold open the record in this proceeding for a period of 60 days to permit any interested person to present evidence and argument concerning the current average per-pound replacement value for household goods. Commenters on the current per-pound replacement value need not have participated in this proceeding in the past for us to consider their submission.

Absent submission of any comments or evidence, \$6.00 will be the new per-pound value to be used to ascertain the value of a shipment when the consumer selects full-value protection and either does not write in a total value for the shipment or writes in a total value that is below the floor. Similarly, absent comment or evidence, the ultimate total value for the shipment will be deemed to be either \$6.00 times the weight of the shipment in pounds or \$6,000, whichever is higher.

Application of These Changes to Freight Forwarders of Household Goods. The Forwarders Bureau asks that its members and the moving companies (motor carriers) they hire be exempted from these requirements for household goods shipments that include both an inland motor-carrier segment and an ocean segment in either the noncontiguous-domestic trade or the international trade.²¹ The Forwarders Bureau asserts that few shippers in these trades select a high level of cargo-liability protection and that the industry practice with respect to these shipments is to offer liability terms for the entire movement under the Carriage of Goods by the Sea Act (COGSA), 46 U.S.C. § 30701 note. The Forwarders Bureau further asserts that it would be a burden to require its members operating in these trades to explicitly offer rates providing for full-value protection for the domestic, inland portion of the move.

The Carmack Amendment to the IC Act, concerning the cargo liability of carriers, is embodied in two sections: 49 U.S.C. 14706 for motor carriers and 49 U.S.C. 11706 for rail carriers.²² The Carmack Amendment establishes a standard level of cargo liability for motor and rail carriers and also permits either type of carrier to limit its cargo liability through the written

²¹ The noncontiguous-domestic trade consists of both land and ocean movements of traffic involving Hawaii, Alaska, or a United States territory or possession. The international trade involves both land and ocean movements between a point in the United States and a point in a foreign nation. The Forwarders Bureau does not contest the application of requirement of a full-value-protection estimate to forwarder-arranged household goods shipments that do not involve an ocean movement.

²² The Carmack Amendment, which was § 20 of the Hepburn Act of June 29, 1906, 34 Stat. 584, amended the IC Act to establish carrier's liability for loss of and damage to interstate shipments by rail. When Congress amended the IC Act to regulate motor carriers, it provided an analogous provision governing cargo liability for motor carriers.

agreement of the shipper.²³ In contrast, COGSA contains a low liability for ocean carriers – \$500 per shipping package or container – with the option for the shipper and carrier to mutually agree to a higher liability for a shipment.²⁴ COGSA, § 4(5), 46 U.S.C. § 30701, note, p. 1179.

The Supreme Court recently addressed the applicability of the Carmack Amendment to the domestic segment of an ocean/rail shipment in Kawasaki Kisen Kaisha Ltd. v. Regal-Beloit Corp., 130 S.Ct. 2433 (2010) (Regal-Beloit), resolving a split in the federal circuit courts of appeals.²⁵ The Court found that the Carmack Amendment did not apply to a loss incurred on the inland, rail segment of an international movement that originated overseas.²⁶ The Court based its finding on the language of the Carmack Amendment, which requires a rail carrier providing transportation within the United States subject to the Board’s jurisdiction to issue a receipt or bill of lading for property it “receives” for transportation. 49 U.S.C. 11706(a); Regal-Beloit, 130 S.Ct. at 2444. The Court concluded that, if the property is received at an overseas location under a through bill of lading that covers the shipment from origin to inland destination, there is no receiving rail carrier that “receives” the property for domestic rail transportation under the IC Act. Id. Accordingly, there was no bar to the parties extending the application of COGSA to govern the inland portion of an international water/rail movement.

Because the motor and rail provisions embodying Carmack are substantially similar, the Regal-Beloit decision would apply equally to ocean/motor movements originating overseas and terminating in the United States. Thus, where there is a through bill of lading, the provisions of

²³ Under the Carmack Amendment, motor carriers and forwarders of general freight are liable for the actual loss or injury to the property, 49 U.S.C. § 14706(a)(1), whereas household goods motor carriers are liable for an amount equal to the replacement value, id., § 14706(f)(2). Rail carriers of freight are liable for actual loss or injury to the freight, 49 U.S.C. § 11706(a).

²⁴ By its own terms, COGSA applies to cargo liability while on a ship, but by contract, COGSA’s liability can be extended to a subsequent movement of the cargo by motor carrier or by rail.

²⁵ Compare Altadis USA, Inc. ex rel. Fireman’s Fund Ins. Co. v. Sea Star Line, LLC, 458 F.3d 1288 (11th Cir. 2006) (Altadis) (finding that COGSA liability applied to a loss incurred on the inland, motor-carrier segment of a noncontiguous-domestic-trade movement) with Sompo Japan Ins. Co. of Am. v. Union Pac. R.R., 456 F.3d 54 (2d Cir. 2006) (Sompo) (finding that Carmack-amendment liability applied to a loss incurred on the domestic, rail segment of an international ocean through movement, even though there was no separate contract of carriage for the domestic, inland segment).

²⁶ The Court limited its holding to “a shipment originating overseas under a single through bill of lading.” Regal-Beloit, 130 S.Ct. at 2442. See also id. at 2440 (certiorari granted “to address whether Carmack applies to the inland segment of an overseas import shipment under a through bill of lading”).

COGSA could be extended by contract to govern the liability of the motor carrier providing transportation within the United States, and the Carmack-based requirements that we here adopt for domestic household goods shipments do not apply. The same would be true for a shipment on a through bill of lading originating in a U.S. territory or possession and terminating at a point in the contiguous 48 states: COGSA liability could be extended by contract to apply to the motor carrier transportation in the lower 48 states.²⁷

It is less clear which regulatory scheme would apply to ocean/motor shipments in the reverse direction: from a point in the lower 48 states to (1) a foreign nation or (2) Alaska, Hawaii, or a U.S. territory or possession, as the Court expressly declined to rule on which liability regime would apply to shipments from the contiguous 48 states to a foreign country. See Regal-Beloit, 130 S.Ct. at 2444. Given the Court's clear holding as to imports, and in light of the still unsettled state of the law and current industry practice regarding exports, we will not at this time require freight forwarders arranging ocean/motor household goods shipments on a through bill of lading from the contiguous 48 states to a foreign nation, U.S. territory or possession, Alaska, or Hawaii to provide the same full-value-protection estimate and the same valuation statement that we now will require for domestic shipments entirely by motor carrier.

Freight forwarders will be required, however, to include on their shipping documents language clearly notifying consumers of their rights, as they are required to do even under COGSA. Even though the default liability under COGSA (\$500 per container) is much lower than that under the Carmack Amendment provision governing household goods shipments, at 49 U.S.C. § 14706(f)(2) (full-value protection), the courts have held that COGSA requires that shippers be given a fair opportunity to declare a higher value than the default. If the carrier fails to give the shipper such an opportunity, the carrier is liable for the full value of the cargo (presumably depreciated value for household goods and replacement value for new, commercial goods). See Sompo, 456 F.3d at 58. Thus, in this important respect, COGSA and the Carmack Amendment are very similar by requiring a higher level of liability when the consumer was not adequately informed about the option of a higher carrier liability. Therefore, freight forwarders offering the COGSA levels of released-liability rates for their international or noncontiguous-domestic-trade shipments of household goods (in either direction to or from the lower 48 states) shall include, in a prominent place on the bill of lading, in at least 12-point type, the statement reproduced in Attachment C to this decision.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

²⁷ Judicial precedent holds that the Carmack/COGSA analysis is the same whether a shipment is in the noncontiguous domestic or the international trade. See Altadis, 458 F.3d at 1293-94 n.12.

It is ordered:

1. For interstate shipments of household goods, moving companies shall provide on the required written estimate form, in at least 12-point type, the valuation statement reproduced in Attachment A to this decision. Moving companies have the option also to include in the valuation statement the language reproduced in Attachment B to this decision.

2. Freight forwarders offering the COGSA levels of released-liability rates for their international or noncontiguous-domestic-trade shipments of household goods (in either direction to or from the lower 48 states) shall include, in a prominent place on the bill of lading, in at least 12-point type, the statement reproduced in Attachment C to this decision.

3. Any interested person may submit, on or by March 15, 2011, evidence and/or comments concerning the average per-pound replacement value of household goods.

4. If no evidence or comments described in the preceding paragraph are submitted, this decision will be effective on April 1, 2011.

5. A copy of this decision will be served on the FMCSA Administrator.

By the Board, Chairman Elliott, Vice Chairman Nottingham, and Commissioner Mulvey.

ATTACHMENT A

(To be placed on carrier's estimate form)

REQUIRED VALUATION CLAUSE AND ESTIMATE OF COST OF SHIPMENT AT FULL VALUE PROTECTION

THE CONSUMER MUST SELECT ONE OF THESE OPTIONS FOR THE CARRIER'S LIABILITY FOR LOSS OR DAMAGE TO YOUR HOUSEHOLD GOODS

CUSTOMER'S DECLARATION OF VALUE

THIS IS A STATEMENT OF THE LEVEL OF CARRIER LIABILITY

—IT IS NOT INSURANCE

Option 1:

The Cost Estimate that you receive from your mover MUST INCLUDE Full (Replacement) Value Protection for the articles that are included in your shipment. If you wish to waive the Full (Replacement) Value level of protection, you must complete the WAIVER of Full (Replacement) Value Protection shown below.

Full (Replacement) Value Protection is the most comprehensive plan available for protection of your goods. If any article is lost, destroyed, or damaged while in your mover's custody, your mover will, at its option, either: 1) repair the article to the extent necessary to restore it to the same condition as when it was received by your mover, or pay you for the cost of such repairs; or 2) replace the article with an article of like kind and quality, or pay you for the cost of such a replacement. Under Full (Replacement) Value Protection, if you do not declare a higher replacement value on this form prior to the time of shipment, the value of your goods will be deemed to be equal to \$6.00 multiplied by the weight (in pounds) of the shipment, subject to a minimum valuation for the shipment of \$6,000. Under this option, the cost of your move will be composed of a base rate plus an added cost reflecting the cost of providing this full value cargo liability protection for your shipment.

If you wish to declare a higher value for your shipment than these default amounts, you must indicate that value here. Declaring a higher value may increase the valuation charge in your cost estimate.

The Total Value of my shipment is: _____ (to be provided by customer)

Dollar Estimate of the cost of your move at Full (Replacement) Value Protection:

_____ **(to be provided by carrier)**

I acknowledge that for my shipment I have: 1) **ACCEPTED the Full (Replacement) Level of protection included in this estimate of charges and declared a higher Total Value of my shipment (if appropriate); and 2) received a copy of the "Your Rights and Responsibilities When You Move"** brochure explaining these provisions.

X _____ Date
Customer's signature

-----OR-----

Option 2:

WAIVER of Full (Replacement) Value Protection. This lower level of protection is provided at no additional cost beyond the base rate; however, it provides only minimal protection that is considerably less than the average value of household goods. Under this option, a claim for any article that may be lost, destroyed, or damaged while in your mover's custody will be settled based on the weight of the individual article multiplied by 60 cents. For example, the settlement for an audio component valued at \$1,000 that weighs 10 pounds would be \$6.00 (10 pounds times 60 cents).

Dollar Estimate of the cost of your move under the 60-cents option: _____.

COMPLETE THIS PART ONLY if you wish to WAIVE The Full (Replacement) Level of Protection included in the higher cost estimate provided [above] [on the prior page] for your shipment and instead select the LOWER Released Value of 60 Cents Per Pound Per Article; to do so you must initial and sign on the lines below-

I wish to Release My Shipment to a Maximum Value of 60 Cents per Pound per Article _____

(Initials)

I acknowledge that for my shipment I have: **1) WAIVED the Full (Replacement) Level of protection, for which I have received an estimate of charges, and 2) received a copy of the "Your Rights and Responsibilities When You Move" brochure** explaining these provisions.

X _____

Customer's signature

Date

ATTACHMENT C

(to be placed on bill of lading for household goods shipments involving a motor carrier segment and an ocean segment)

The provisions of the Carriage of Goods by the Sea Act and/or of 49 U.S.C. 14706(f)(2) (a provision in the Interstate Commerce Act) permit us to offer “released” rates (reduced rates under which you will not be fully reimbursed if your shipment is lost, damaged, or destroyed), but they also require that we offer rates that will better protect a consumer in the event of loss or damage to a shipment. Under the rates offered here, your reimbursement in the event of loss will be limited to _____ . We also offer higher levels of protection (at higher rates). Signing this document below indicates that you agree to pay and be bound by the terms of the released, limited-recovery rates.

(Customer’s Signature)

(Date)