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## United States Senate

COMMITTEE ON COMMERCE, SCIENCE,  
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

WEB SITE: <http://commerce.senate.gov>

ELLEN DONESKI, STAFF DIRECTOR  
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October 3, 2011

The Honorable Anne S. Ferro  
Administrator  
Federal Motor Carrier Safety Administration  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Suite W60-300  
Washington, DC 20590

Dear Administrator Ferro,

Every year, more than 1.5 million Americans use the services of household goods carriers for interstate moves. While a large percentage of the American consumers who hire household goods carriers have positive experiences, too many continue to be targeted and scammed by illegitimate moving companies. Too often, consumers report that moving companies refuse to complete the delivery of their possessions until they pay exorbitant fees that are not part of the original estimates for their moves, a practice commonly referred to as holding household goods “hostage.”

The threat of illegitimate moving companies holding goods hostage is nothing new. In 2005, Congress addressed this very issue by including provisions in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)<sup>1</sup> that established civil penalties for engaging in the practice, strengthened licensing requirements for carriers, and granted the states authority to enforce federal consumer protection laws against interstate movers. While these provisions were a step in the right direction, we are concerned that hostage household goods situations continue to occur too frequently.

According to the Better Business Bureau, news reports, and various other online sources, consumer complaints about interstate moving scams have increased in recent years.<sup>2</sup> It is frequently reported that illegitimate moving companies and brokers use internet advertising and extremely low estimates to deceive consumers. These brokers and movers then add exorbitant fees to their estimates once the consumers’ goods are loaded onto their trucks. Consumers

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<sup>1</sup> Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Pub. L. No. 109-59, §§4201-4216.

<sup>2</sup> See *BBB and AMSA Offer Advice on Avoiding Moving Scams this Summer*, Better Business Bureau (May 16, 2011).

express frustration that they have little recourse in these situations, except to pay the increased fees. A 2009 report by the Government Accountability Office (GAO) found that illegitimate operators that hold consumers' goods hostage tend to change names frequently, evading detection by authorities and making it even more difficult for consumers to seek redress when necessary.<sup>3</sup>

In 1999, the Federal Motor Carrier Safety Administration (FMCSA) was delegated with the role of regulating the interstate household goods moving industry. Since that time, FMCSA has taken steps to improve consumer protections within the household goods moving industry and recently testified about additional proposals for consumer redress.<sup>4</sup> We are optimistic about the steps that FMCSA is taking, but we want to ensure that everything possible is being done to protect consumers from the threat of illegitimate moving companies.

To help the Senate Commerce Committee better understand the scope of the hostage household goods problem and the steps that FMCSA and the states have taken in recent years to increase consumer protection efforts in the household goods moving industry, please provide the following information and documents:

1. Identify the number of consumer complaints related to the movement of household goods that FMCSA received in each of the past six years. Please specify the number of complaints that are related to carriers or brokers adding fees following pickup of consumers' household goods or holding consumers' household goods hostage, and whether the complaint was reported to FMCSA directly or referred to FMCSA by another government agency or a private organization.
2. Provide any documents related to FMCSA tracking or compiling, on a per carrier or broker basis, the number of complaints it receives, including complaints related to a carrier or broker adding fees following pickup of a consumer's household goods or holding a consumer's household goods hostage.
3. Provide unredacted copies of all consumer complaints FMCSA has received since January 1, 2009, related to carriers or brokers adding fees following pickup of consumers' household goods or holding consumers' household goods hostage, including all consumer complaints referred to FMCSA by other government agencies or private organizations.
4. Identify current FMCSA resources devoted to combatting and educating the public about hostage household goods situations. The response should specifically include how many

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<sup>3</sup>*Household Goods Moving Industry: Progress Has Been Made in Enforcement, but Increased Focus on Consumer Protection is Needed*, United States Government Accountability Office (October 2009) (GAO-10-38).

<sup>4</sup> Committee on Commerce, Science, and Transportation, Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety, and Security, *Making Our Roads Safer: Reauthorization of the Motor Carrier Safety Program*, 112<sup>th</sup> Congress (July 21, 2011).

employees are trained household goods specialists, the current budget allotted for household goods carrier regulation and enforcement, and an explanation of efforts to partner with the private sector to leverage FMCSA resources.

5. Identify the enforcement actions FMCSA has taken against household goods carriers and brokers in the past six years. The responses should specifically address:
  - a. the name, address, and principal officers of the carrier or broker;
  - b. the reason the action was initiated (i.e. whether it arose from a consumer complaint investigation); and
  - c. the results of the enforcement actions.
6. Identify the number of state attorneys general or state regulatory agencies that have brought actions against interstate household goods carriers or brokers using their authority to enforce federal regulations in SAFETEA-LU. For any actions brought, identify which states or agencies initiated the action.
7. Identify which states and agencies currently have access to FMCSA's complaint database, whether the database is being accessed, and the frequency with which it is being accessed.
8. Identify the number of consumers that have visited the "Protect Your Move" website each year since its inception.
9. In 2009, FMCSA initiated the New Applicant Screening (NAS) process for household goods carriers. Provide a list of the carriers that have been approved through the NAS process, explain the effectiveness of the process, and how many carriers, if any, have been refused registration based upon this screening. For any rejected carriers, provide the name of the carrier and the reason for the rejection.
10. Explain the screening process for brokers registering with FMCSA and provide a list of the brokers that have been approved since 2009.
11. Describe any additional efforts FMCSA has undertaken in the past six years to protect consumers from abuses by the interstate household goods moving industry, including any actions taken by the Household Goods Working Group and any other steps taken to eliminate the threat of hostage household goods situations.

Please provide the requested information and documents by Friday, October 21, 2011.

The Committee is conducting the investigation under the authority of Senate Rules XXV and XXVI. An attachment to this letter provides additional information about how to respond to

Letter to Administrator Ferro  
October 3, 2011

the Committee's request. If you have any questions, please contact Melanie Tiano or John Drake with the Committee staff at (202) 224-1300.

Sincerely,



John D. Rockefeller IV  
Chairman



Frank R. Lautenberg  
Chairman –  
Subcommittee on Surface Transportation  
and Merchant Marine Infrastructure, Safety,  
and Security

Enclosure

cc: Kay Bailey Hutchison  
Ranking Member