

March 5, 2003

CONG. PETRI INTRODUCES HOUSEHOLD MOVERS ANTI-SCAM BILL

WASHINGTON - Cong. Tom Petri (R-WI), Chairman of the Highways, Transit and Pipeline Subcommittee, introduced legislation Tuesday to allow individuals or states to take action under state consumer protection laws against illegitimate interstate household movers.

"While the vast majority of moving companies operate in a fair, open and honest way, consumers are facing an increasing problem with rogue movers," Petri explained. "One of the most egregious practices of scam movers is the 'hostage goods' situation, where a mover low-balls an estimate, loads the consumer's goods onto his truck, drives off, and then refuses to deliver the goods until paid an amount in cash that can be up to four or five times the amount of the original estimate - in strict violation of federal regulations. Several victims have gone months without knowing where their clothes, furniture, photo albums, family keep-sakes and the rest are located. And yet there is little the consumer can do."

Petri said that state and local authorities frequently avoid moving disputes as various courts have ruled that they have no jurisdiction over interstate moves. Meanwhile, the federal government lacks the manpower and resources to respond adequately at the local level.

In response, Petri's Securing Consumers' Assurance in Moving (SCAM) Act of 2003 would clarify federal law to make it clear that individuals can sue rogue operators, and to allow states to become enforcement partners with the U.S. Transportation Department. The SCAM Act will also establish new fines for carriers who hold household goods hostage, and for other consumer violations. The Act would also increase the availability of consumer information regarding interstate movers.

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SCAM Act Cosponsors

Rep. Bill Lipinski (D-IL)
Rep. Dennis Rehberg (R-MT)
Rep. John Mica (R-FL)
Rep. Jerry Kleczka (D-WI)
Rep. Richard Baker (R-LA)
Rep. Henry Brown (R-SC)
Rep. Eddie Bernice Johnson (D-TX)
Rep. Steve LaTourette (R-OH)
Rep. Mike Honda (D-CA)
Rep. Michael Burgess (R-TX)

Section-by-Section Summary Securing Consumers' Assurance in Moving Act of 2003

Sec. 1 - Short Title.

The title of the Act is the "Securing Consumers' Assurance in Moving Act of 2003."

Sec. 2 - Findings.

Includes Congressional findings regarding the interstate transportation of household goods and the need to increase enforcement efforts, consumer information, and protection of consumers.

Sec. 3 - Federal-State Relations Relating to Transportation of Household Goods.

Subsection (a) amends section 14501(c)(2)(B) of title 49 to clarify that the current federal preemption of states' ability to regulate prices, routes and services of intrastate trucking does not apply to intrastate transportation of household goods.

Subsection (b) provides that an individual or State may enforce a consumer protection law with respect to interstate transportation of household goods. Before taking action, or as soon as possible thereafter, a State must notify the Secretary of

Transportation. No State can bring an enforcement action under a consumer protection law that is inconsistent with Federal laws and regulations relating to interstate transportation of household goods.

Subsection (c) is a conforming amendment.

Sec. 4 - Working Group for Development of Practices and Procedures to Enhance Federal-State Relations.

Subsection (a) provides that within 90 days the Secretary shall establish a working group of State attorney generals, State consumer protection administrators and law enforcement to coordinate and exchange information and enforcement efforts.

Subsection (b) provides that the working group shall consult with the moving industry.

Sec. 5 - Civil and Criminal Penalty for Holding Household Goods Hostage.

Subsection (a) creates a new section 14915 of title 49 to provide a civil penalty of not less than \$10,000 for carriers that hold household goods hostage in violation of the 110% rule. The Secretary also may suspend the registration of the carrier for 6 months. A new criminal penalty is created to provide for fines and imprisonment for not more than two years.

Subsection (b) is a conforming amendment.

Sec. 6 - Consumer Handbook on DOT Web Site.

Provides that within one year, the Secretary shall take action to ensure that the consumer handbook, "Know Your Rights and Responsibilities When You Move," is prominently displayed on the DOT Web site and is available in language readily understood by the general public.

Sec. 7 - Display of Information on Household Goods Transportation Related Web Sites.

Requires that within one year the Secretary shall modify regulations to require that a carrier or broker must prominently display on Web site: the Department of Transportation registration number, the DOT consumer handbook, and in the case of a broker a list of all motor carriers providing transportation and a statement that the broker is not a motor carrier moving household goods.

Sec. 8 - Consumer Complaint Data Base.

Subsection (a) requires that within one year the Secretary shall establish a data base for consumer complaints, including those gathered by the States, that the data base be available to the public, and that motor carriers have an opportunity to challenge information in the data base. The Secretary shall issue regulations requiring carriers to file reports on a semi-annual basis regarding complaints, and loss and damage claim information.

Subsection (b) provides that the information in the data base shall be considered as the Department determines if a household goods carrier should be subject to a commercial investigation for safety compliance.

Sec. 9 - Insurance Regulations.

Subsection (a) requires the Secretary, within one year, to review insurance regulations and determine whether the regulations provide adequate protection for consumers.

Subsection (b) sets forth certain areas the Secretary shall consider in the review.

Sec. 10 - Civil Penalties Relating to Household Goods Brokers.

Amends section 14901(d) of title 49 to provide that a broker who makes an estimate of the cost of transporting goods before entering into an agreement with a carrier is subject to a civil penalty of not less than \$10,000 for each violation. Creates a civil penalty of not less than \$25,000 if a broker or carrier operates without being registered.

Sec. 11 - Progress Report

Requires that within one year of enactment, the Secretary shall report to Congress on progress being made in implementing the Act.