



Highlights of [GAO-10-38](#), a report to congressional committees

Why GAO Did This Study

Each year, the Federal Motor Carrier Safety Administration (FMCSA) within the Department of Transportation (DOT) receives about 3,000 consumer complaints regarding interstate moving companies: some involve egregious offenses, such as holding goods hostage. Over the years, Congress and GAO have raised concerns about the adequacy of FMCSA's oversight of the industry. As requested, GAO reviewed the (1) extent to which states have used authority in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) to take federal enforcement action against interstate movers and challenges in using that authority; (2) extent and timeliness of FMCSA's progress in its consumer protection efforts; and (3) advantages and disadvantages of options for enhancing consumer protection in the industry. GAO analyzed applicable laws and regulations; interviewed government, moving industry, and consumer protection officials; surveyed state regulatory agencies and state attorneys general; and analyzed consumer protection models.

What GAO Recommends

DOT should evaluate whether to move the household goods program to OST and address problems with FMCSA's consumer protection efforts. DOT and FTC agreed with the information in this report, and DOT agreed to consider the recommendations.

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HOUSEHOLD GOODS MOVING INDUSTRY

Progress Has Been Made in Enforcement, but Increased Focus on Consumer Protection Is Needed

What GAO Found

States have not used two SAFETEA-LU provisions that permit state regulatory agencies and state attorneys general to bring a federal consumer protection action against an interstate household goods mover. The state officials GAO surveyed cited several challenges to using the provisions; for example, state regulatory agencies cited concerns about a lack of resources to bring an action and insufficient awareness of and clarity on how to use the provisions. State attorneys general reported a strong preference for wanting to use their own state laws and their own state courts to pursue interstate carriers; however, the Carmack Amendment—a statute limiting carrier liability—preempts them from doing so.

FMCSA has made progress in its household goods consumer protection efforts; however, the effectiveness of these efforts is unknown and the progress has been slow. FMCSA has focused most of its efforts on improving enforcement, such as increasing the number of household goods compliance reviews, and has made limited progress in other areas of consumer protection, including consumer education and outreach, partnering with key stakeholders, and reporting and using consumer complaints data. FMCSA has been slow to implement improvements in consumer protection recommended by GAO or required by law. For example, the agency completed a study of alternative dispute mechanisms 11 years after its legislative deadline elapsed. Recent steps FMCSA has undertaken in an effort to improve its household goods program are too new for their impact to be determined.

Several policy options exist for enhancing consumer protection in the interstate household goods moving industry and each has potential advantages and disadvantages. First, FMCSA could retain oversight responsibility, given that it has already invested time and resources into the effort and has recently implemented actions to improve enforcement. However, FMCSA's primary mission is safety, and the limitations in the agency's consumer protection efforts to date raise questions about its commitment to enhancing consumer protection. A second option is to create a separate office within the Office of the Secretary of Transportation (OST) similar to the Office of Aviation Enforcement and Proceedings (OAEP). OAEP focuses on consumer protection for the aviation industry, leaving safety the purview of the Federal Aviation Administration (FAA). This could be an effective model for resolving concerns about how FMCSA addresses consumer protection for the interstate household goods moving industry within its safety mission. However, given OST's structure, creating a new office would require careful consideration of organizational, legal, budgetary, and resource issues. A third option is to move this function to the Federal Trade Commission (FTC). As the nation's consumer protection agency, the FTC has the expertise to protect consumers. However, FTC has no experience or expertise with the interstate household goods industry and is currently legally prohibited from regulating common carriers, including moving companies.