

**HOUSEHOLD GOODS FORWARDERS
TARIFF BUREAU**

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July 30, 2007

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**Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001**

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**Re: Amendment No. 5 – To Release Rates Decision No.
MC-999 - Comments of the Household Goods Forwarders
Tariff Bureau**

Dear Sirs:

The Household Goods Forwarders Tariff Bureau (HHGFTB), on behalf of its household goods forwarders members, hereby submits these comments in response to the Notice of the Surface Transportation Board (STB), served June 13, 2007, in above-referenced proceeding. We note that the proposed rules are to apply to motor common carriers of the household goods. Forwarder members of HHGFTB are freight forwarders and not motor carriers, but submit these comments to the extent the Board might apply the rules to require forwarders to require household goods carriers to provide a written estimate of the cost of Full Value Protection (FVP) in any order for service, contract form or bill of lading.¹ We submit that in no event should this rule booked by forwarders for movement in the U.S. foreign commerce and in the U.S. non-contiguous domestic trades, e.g. between U.S. and Hawaii.

We understand that this requirement will not apply to military shipments. Further, the HHGFTB is not commenting on the application of this requirement to shipments moving within the United States.

¹ The HHGFTB is not commenting on the proposals to require a written waiver of FVP on a separate document or on the proposed to reset the assumed or minimum valuation for a shipment.

For the reasons stated below, the HHGFTB opposes imposition of the FVP estimate requirement for door-to-door shipments in U.S. foreign commerce, which are subject to the jurisdiction of the Federal Maritime Commission, and to shipments moving in the noncontiguous domestic trades. On these shipments the STB jurisdiction, and thus FVP liability, 49 U.S.C. §14706(f) (2), applies only to the transportation to or from the United States port, the liability for the ocean movement being limited by the Carriage of Goods by Sea Act and by intermodal bill of lading to \$.10 per pound per article up to \$500 per container. Since these shippers seldom avail themselves of full value protection, we submit that imposition of the FVP estimate requirement for these intermodal shipments would create a paperwork burden on household goods forwarders with little or no resulting benefit to shipper.

DISCUSSION

On shipments in U.S. foreign commerce, HHGFTB members door-to-door transportation as household goods forwarders is subject to STB jurisdiction only for the land transportation to or from the U.S. port and as non-vessel operating common carriers by water, as defined at U.S.C. §40102(16) (2006), under the Shipping Act administered by the Federal Maritime Commission and charge door-to-door rates at a charge per cwt. The STB has jurisdiction under the FVP provision, 49 U.S.C. §14706(f) (2), only for the land transportation in the United States. Carrier liability for loss or damage during ocean transportation is governed by the Carriage of Goods by Sea Act (COGSA), 46 U.S.C. §1304(5), which limits liability to an amount not exceeding \$500 per package or container. Household goods shipments in the U.S. foreign commerce move pursuant to a through intermodal bill of lading which provides for liability for loss or damage occurring at sea or outside of the United States at \$.10 per pound per article not to exceed \$500 per package as provided for in COGSA.

The shipments in foreign commerce move at door-to-door rate, which are usually expressed on a per hundredweight or per cubic foot basis and are published in an electronic tariff as required by 46 U.S.C. §40501 (formerly 46 U.S.C. App. §1707) or in a contract known as an NVOCC Service Arrangement (NSA) pursuant to 46 C.F.R. §531, as issued by the Federal Maritime Commission. The tariff regulations of that agency require publication of the entire door-to-door rate covering land transportation within the United States as well as ocean transportation and overseas transportation. (46 C.F.R. §520.3(a)). As a general practice, the shipper, either national

account or individual shipper, ships at the minimum liability for the door-to-door transportation. Therefore, it is seldom that a shipper selects FVP for the limited land transportation from or to the U.S. port and for therefore there is little reason to apply the proposed rule to forwarder shipments, moving in a door-to-door service at a single-factor rate per hundredweight.

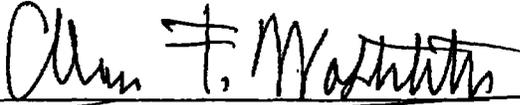
Shipments in the United States noncontiguous domestic trades likewise move pursuant to through intermodal bills of lading covering transportation between points in the United States (except Alaska and Hawaii) on the one hand, and on the other points or ports in Alaska, Hawaii or U.S. territories or possessions. The household goods forwarder intermodal bills of lading incorporate by reference the \$500 liability limitation of COGSA. Shipments in the noncontiguous domestic trades, like shipments in U.S. foreign commerce, are transported at through rates at minimum liability.

Due to this divided liability imposed by separate statutes, *viz.* COGSA for loss or damage occurring at sea and by SAFETEA-LU, 49 U.S.C. §14706(f), for loss or damage occurring on land in the United States, we maintain that shipments in U.S. foreign commerce and in the U.S. noncontiguous domestic trades should be exempted from the proposed FRV estimate requirement. We maintain that imposition of the proposed requirement to provide an estimated cost of FRV protection in shipping documents would be of little or no benefit to shippers while this paperwork requirement would create a compliance burden on household goods forwarders.

For the above reasons, we respectfully request that the Board not require household goods forwarders to provide an estimate of cost of Full Value Protection in all shipping documents for shipments moving by ocean in the U.S. foreign commerce or in the U.S. noncontiguous domestic trade.

Respectfully submitted,

HOUSEHOLD GOODS FORWARDERS
TARIFF BUREAU

By 
Alan F. Wohlstetter
Executive Secretary