

Arbitration Program

Q&A

Q What is an Arbitration Program?

A At its core, arbitration is a form of dispute resolution. Arbitration is the private, judicial determination of a dispute by an independent third party. An arbitration hearing may involve the use of an individual arbitrator or a tribunal. A tribunal may consist of any number of arbitrators, though some legal systems insist on an odd number for obvious reasons of wishing to avoid a tie. One and three are the most common numbers of arbitrators. The disputing parties hand over their power to decide the dispute to the arbitrator(s). Arbitration is an alternative to court action (litigation), and generally, is final and binding.

Q Who is required to have an Arbitration Program?

A A Household Goods (HHG) mover who engages in interstate moves must offer an Arbitration Program to individuals who are moving. The program would be used to resolve disputes concerning loss and damage claims and charges billed to the mover in addition to those collected at delivery.

Q Must individual shippers who move from one State to another participate in the Arbitration Program?

A Individual shippers have the right to participate in the HHG mover's arbitration program **but can choose not to participate**. Individual shippers may seek judicial remedies through court actions under 49 USC 14706.

Q What does an Arbitration Program consist of?

A An Arbitration Program **must** consist of these 11 minimum elements:

1. Prevent the HHG mover from having any advantage because the individual shipper lives or works in a place distant from the mover's principle place of business.
2. Prior to tendering an individual shipper's HHGs for transport, the HHG mover must inform the shipper of the availability of neutral arbitration. The following three items must be included:
 - A summary of the arbitration procedure
 - Any applicable costs
 - A disclosure of the legal effects of election to use arbitration

3. Upon an individual shipper's request, a HHG mover must provide information and forms it considers necessary for initiating an action to resolve a dispute under arbitration.
4. An arbitrator must be independent of the parties to the dispute and be capable of resolving such disputes fairly and expeditiously. The HHG mover must ensure the arbitrator is authorized and is able to obtain any material or information from the HHG mover, or the individual shipper, in order to make a fair and expeditious decision.
5. While the arbitrator may determine the percentage of payment for each party, the individual shipper pays no more than half of the arbitrator's cost.



6. A HHG mover cannot make an individual shipper agree to use arbitration before a dispute arises.
7. If an individual shipper requests to go to arbitration, the HHG mover is bound for claims of \$10,000 or less.
8. For claims of more than \$10,000, the HHG mover is bound by arbitration if the individual shipper requests arbitration and the HHG mover agrees to arbitration.
9. If agreed to by the individual shipper and the HHG mover, the arbitrator may provide for an oral presentation of a dispute by a party or representative of a party.
10. An arbitrator must render a decision within 60 days of receipt of written notification of the dispute. A decision from the arbitrator may include any remedies appropriate under the circumstances.
11. The 60-day period may be extended if the individual shipper or the HHG mover fails to provide information in a timely manner. The HHG mover must produce and distribute a concise, easy to read and accurate summary of their Arbitration Program.

The Federal Motor Carrier Safety Administration (FMCSA) regulates interstate household goods movers. The FMCSA regulations assist in protecting consumers' interstate moves and defines the rights and responsibilities of consumers and household goods movers. Household goods movers who engage in interstate transportation of household goods must comply with the arbitration program requirements contained in 49 CFR 375.211. For more information, please visit the FMCSA Web site at www.protectyourmove.gov.

Federal Motor Carrier
Safety Administration

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What Household Goods Movers Must Do



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