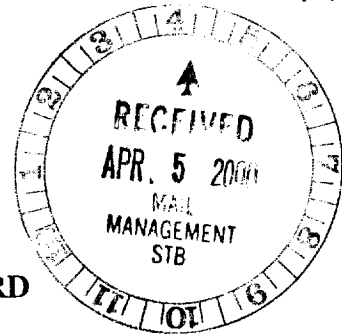


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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Section 5a Application No. 1 (Sub-No. 10)

HOUSEHOLD GOODS CARRIERS BUREAU COMMITTEE

COMMENTS OF

THE TRANSPORTATION CONSUMER PROTECTION COUNCIL, INC.

REGARDING

HOUSEHOLD GOODS CARRIERS BUREAU COMMITTEE "BENCHMARK" RATES

**THE TRANSPORTATION CONSUMER
PROTECTION COUNCIL, INC.
by George Carl Pezold, General Counsel**

April 4, 2000

Of Counsel:
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The Transportation Consumer Protection Council, Inc. (Council) respectfully submits its Comments regarding whether any anti-trust immunity granted to the Household Goods Carriers Bureau Committee (HGB) ought to be conditioned on reductions in "benchmark" rates to prevailing levels of market based rates.

The Council believes that the continued immunity granted to the HGB should be conditioned on a reduction in benchmark rates to prevailing levels of market based rates.

1. THE BASE RATE LEVEL IS UNREALISTICALLY HIGH

The base rate levels maintained by the HGB are unrealistically high and bear no relationship to the reality of what is going on in the household goods industry. Similar to the situation in the trucking industry, household goods carriers commonly provide discounts in the range of 50 to 60% off the base rates in the HGB 400 Series tariff on contracts with major shippers. Individuals receive lesser discounts, if any, and many unsophisticated shippers receive none.

2. WHO IS HURT BY THE PRACTICE OF MAINTAINING UNREASONABLY HIGH BASE RATE LEVELS?

It is clearly the individual shipper who is hurt most when unreasonably high base rate levels are maintained. Large household goods shippers are able to enjoy a significant discount due to their sophistication and market clout. For most individuals, a household goods move is a rare or occasional event in their lifetime. It is these individual shippers who are vulnerable and are most in need of protection from paying unreasonably high base rates. Unlike the business world, where there are groups and associations that can speak for their membership, the individuals involved in household goods moves have no group or association, and therefore they have no voice. It is these individuals that are most in need of consumer protection from unrealistic pricing.

3. METHODOLOGIES

It is suggested that benchmark rates should be the reasonable rate level as determined by the

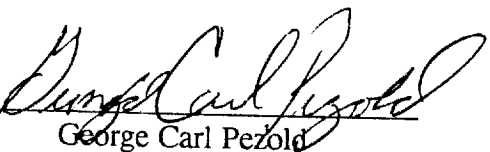
"market based cluster of rates" as previously outlined by the Board's predecessor in, Georgia Pacific Corporation -- Petition for Declaratory Order -- Certain Rates and Practices of Oneida Motor Freight, Inc., 9 I.C.C.2d 103 (1992). Through an analysis of what rates are actually being charged, the "benchmark" rate could be equalized with the actual rate levels prevailing in the market. Household goods carriers would still be free to give reasonable cost-based discounts related to volume, and they would still be free to charge for accessorial services when extra services are requested, or to charge arbitraries on shipments which are more difficult or expensive.

4. CONCLUSION

In conclusion, the Council believes that the cornerstone of American business is honesty and fairness. A system that invites misrepresentation and takes advantage of unsophisticated shippers should be corrected, and there is no group more unsophisticated than individual users of household goods carrier services.

Respectfully submitted:

THE TRANSPORTATION CONSUMER
PROTECTION COUNCIL, INC.

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