

Before the
SURFACE TRANSPORTATION BOARD
Washington, D.C.

STB Docket No. MC-F-21115
NORTH AMERICAN VAN LINES et al. – POOLING

SUPPLEMENTAL SUBMISSION UNDER 49 U.S.C. 14302
FOR APPROVAL OF POOLING AGREEMENT
AMONG ALLIED VAN LINES, INC.,
AND CERTAIN AGENTS

I. INTRODUCTION

On December 7, 2023, NAVL Van Lines, Inc. (“NAVL”) and twelve (12) of its household goods agents who hold interstate operating authority(ies) (“Carriers”) applied to the Surface Transportation Board (“STB” or “Board”) for approval under 49 U.S.C. § 14302 of a pooling agreement (“Proposed Agreement”) between NAVL and such Carriers for the transportation of household goods as defined at 49 U.S.C. § 14302 (“Application”). As previously described in the Application, NAVL actively participates in the market for household goods transportation and related relocation services, catering to major corporate employers in the United States (referred to as “National Accounts”); individuals seeking relocation services at tariff rates (referred to as “Consumer Accounts”); the transportation of household goods for military and civilian personnel undergoing relocation by the United States Department of Defense (“DoD”) (referred to as “Military Accounts”); and the transportation of household goods for federal employees undergoing relocation by the U.S. General Services Administration (“GSA”) (referred to as “Government Accounts”). Each of these categories (National Accounts, Consumer Accounts, Military Accounts,

and Government Accounts) is considered an "Account" and are, collectively, referred to as "Accounts."

Per the STB's request, NAVL and Carriers hereby submit this supplemental submission in order to provide further discussion regarding the effect of the Proposed Agreement on present and future competition in the area pursuant 49 C.F.R § 1184.2(h) and to further clarify the impact to competition of the non-pooling carriers authorized to transport the subject traffic but not included in the Proposed Agreement pursuant to 49 C.F.R § 1184.2(k).

II. EFFECT OF THE PROPOSED AGREEMENT ON PRESENT AND FUTURE COMPETITION (49 C.F.R § 1184.2(h))

The commodities involved in the Proposed Agreement include household goods as defined at 49 U.S.C § 14302(h)(1). As discussed in additional detail in the Application, the Proposed Agreement will have a limited effect on present and future competition. NAVL's overall share of the household goods market amounts to approximately eleven percent (11%). More specifically, Military Accounts and Government Accounts make up approximately eight percent (8%) out of all types of shipments across the household goods industry, and of this Military Accounts and Government Accounts segment, NAVL has less than ten percent (10%).¹

The scope of the Proposed Agreement is specific to NAVL's household goods transportation business related to Military Accounts, Government Accounts, and narrowly limited Consumer Accounts, as defined in this Application. The Proposed Agreement focuses primarily on the Military Accounts market. Therefore, the scope of the Proposed Agreement applies specifically to a small subgroup of NAVL agents referred to as "Carriers" within the Application. These Carriers will primarily, though not exclusively, serve (i) Military Accounts acting as transportation service providers qualified by the DoD (each, a "TSP"); and/or (ii) Government

¹ *July 2023 Monthly Data Study Report*, American Trucking Associations, Moving and Storage Conference.

Accounts acting as TSP qualified by the GSA within the Centralized Household Goods Traffic Management Program (CHAMP) and/or (iii) Consumer Accounts where shipments do not exceed a distance of seventy-five (75) miles from a Carrier's terminal location. The vast majority of loads booked by a Carrier within NAVL's agent network will continue to be booked through NAVL and will have no significant impact on the overall market share affected by the Proposed Agreement.

The objective of the Proposed Agreement is to restrict competition within the NAVL brand while enhancing NAVL's ability to compete for the business and servicing of Military Accounts and Government Accounts. The Proposed Agreement will have no consolidation or operation combination among the major van lines and Accounts will continue to have access to and the ability to seek competitive services from a significant number of alternative providers.

Finally, in 2023, NAVL had lower gross hauling revenues than in 2022 and due to general economic conditions and a downturn in the housing industry, it is anticipated that gross hauling revenues will continue to decline for the immediate future and will not be significantly impacted by the Proposed Agreement.

III. NON-POOLING CARRIERS NOT INCLUDED IN THE PROPOSED AGREEMENT (49 C.F.R § 1184.2(k))

The Proposed Agreement is intended to only apply to NAVL and the twelve (12) Carriers and only within the household goods industry. As of September 29, 2023, the FMCSA indicates that there are 8,203 carriers registered with household goods motor carrier authority. The implementation of the Proposed Agreement between NAVL and Carriers impacts a small fraction of this total (0.23%), leaving shippers with significant options for qualified household goods motor carriers.² Finally, as discussed in the Application, the Motor Carrier Act of 1980 made broad nationwide authority readily available to almost all motor carriers, substantially reducing the

² FMCSA Licensing & Insurance (L&I) Snapshot Date – September 29, 2023.

regulatory barriers to entry into the household goods market as a registered motor carrier. Based on the small number of motor carriers included as part of the Proposed Agreement and the reduction in regulatory barriers, there would be little to no impact on motor carriers not subject to the Proposed Agreement.

IV. CONCLUSION

NAVL and the Carriers respectfully request that the Board approve the Proposed Agreement without the need for hearings, applying the two-part test specified in 49 U.S.C. 14302(c)(2). This course of action is appropriate because (i) the Proposed Agreement does not hold significant importance in the transportation industry as it relates to the household goods transportation market, and (ii) there is no substantial likelihood that the Proposed Agreement will unreasonably restrict competition. Furthermore, NAVL and the Carriers request the Board to determine that the practices outlined in the Proposed Agreement are similar to those carried out in household goods pooling agreements approved by the ICC prior to the effective date of the Interstate Commerce Commission Termination Act of 1995.

Moreover, for the reasons outlined in the Application and this Supplemental Submission, neither NAVL nor any other van line is in a position to obtain or retain market power with regard to Military Accounts or Government Accounts. Therefore, the Board can approve this Application without hearings under the second criterion of 49 U.S.C. 14302(c)(2) because the “likelihood” that the Proposed Agreement would “unduly restrain competition” is not only insubstantial, but virtually non-existent. The Proposed Agreement, apart from its method of limiting direct competition with NAVL by its own Agents, is essentially identical to the long line of household goods pooling agreements that have been accepted by the Board and the former ICC for many years.

Based on the evidence provided in the Application and this Supplemental Submission, and because the Proposed Agreement meets the essential approval criteria specified in 49 U.S.C. § 14302(c)(3), NAVL and the Carriers respectfully request the Board approve the Proposed Agreement without requiring a hearing.

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