

Dispute Settlement Program (Interstate moves)

Consumer Information for Household Goods Shippers
Sponsored by the American Moving & Storage Association

The American Moving and Storage Association (AMSA) is the national trade association that represents carriers and agents in settlement programs so that our members can offer you a fair and effective way to resolve disputes that may arise over loss and damage claims on household goods shipments.

The arbitration procedures provided under this program have been developed by the AMSA as a less costly alternative to the court system in settling disputes involving loss and damage claims that may occur during your move. The Interstate Commerce Commission initially approved our program in 1981 on a voluntary basis; mover participation was not mandatory and there was no requirement to arbitrate unresolved claims. In the years since 1981, even with its voluntary participation, the AMSA program proved to be such a successful method for resolving disputes, that, beginning in 1996, the Federal Government, under the Department of Transportation, made participation in a Dispute Settlement Program mandatory for household goods movers and their agents.

Under the program, movers must agree, under the circumstances that are described in this brochure, to offer neutral arbitration as a means of settling loss or damage disputes that may arise on household goods shipments. To maintain a fair and neutral position, our program is administered by the National Arbitration Forum. The Forum is an independent, nongovernmental organization that is not affiliated with the American Moving and Storage Association or with any household goods moving company. The forum is one of the world's largest neutral administrators of arbitration and mediation services, with a select panel of former judges, law professors and experienced senior attorneys providing dispute resolution worldwide.

Please read this brochure carefully; it explains what arbitration is and how the AMSA program works. Before your move, it is important for you to be aware of the program and to understand your rights when using it in the unlikely event that the need arises.

Joe Harrison
President

"When Is Arbitration Appropriate?"

Disputes eligible for arbitration are unresolved claims that may occur as a result of loss or damage to an interstate shipment of household goods for an individual shipment of household goods for an individual shipper (also referred to as a C.O.D.)

shipper). If you (the shipper) and your mover (the carrier) cannot resolve a dispute with your claim, typically involving the amount of the settlement offer, you may request that arbitration procedures be used to resolve the claim. Before arbitration can begin however, you must be sure that you have exhausted your remedies through the mover's regular claims process and that the mover has made its final offer. In accordance with Federal law and the terms of your Bill of Lading contract, a claim for loss or damage must be filed with your mover within nine months of delivery (a shorter period may apply if you elect to institute a court action). The carrier must acknowledge your claim within 30 days of receipt, and within 120 days must pay, deny, make a settlement offer or advise you of the status of the claim and the reason for any delay in disposition. Claim disputes involving other types of interstate claims may be arbitrated under the program if both parties agree to do so.

"What Are The Legal Effects of The Program?"

Congress provides guidelines for dispute settlement programs in Section 14708 of Title 49, United States Code, under the authority of the U.S. Department of Transportation. These guidelines are reflected in the program rules. You should carefully consider the legal effects of the following provisions before you decide to use the program:

First, arbitration under this program is optional and voluntary for you, but not always so for your mover. Your mover must agree to your request for arbitration of disputed claims of \$5000 or less, if no settlement can be reached. However, if you request arbitration of a disputed loss or damage claim over \$5000, your claim will be submitted to arbitration only if both you and your mover agree to arbitration. Once both you and your mover have signed the official forms and submitted the dispute to the Forum for resolution, a neutral Forum arbitrator will render a final decision.

Second, you may be entitled to reasonable attorney's fees if you prevail in a court action that is instituted after the arbitration process has begun, if:

- a) Your original loss and damage claim was submitted to the carrier within 120 days after the date the shipment was delivered, or the date delivery was scheduled, whichever was later, and
- b) A decision resolving the dispute was not rendered through arbitration within the time period established by the arbitrator for resolution of the dispute; or the court proceeding is to enforce a decision already rendered through arbitration that is instituted after the period for the performance of such decision has elapsed.

Finally, to discourage shippers from filing non-meritorious claims in court, the statute provides that the mover maybe awarded reasonable attorney's fees if the shipper brings such court action in " bad faith" either:

- a) After the resolution of a dispute through the arbitration program; or
- b) After the shipper has instituted an arbitration proceeding but before the period for the resolution of the dispute as established by the arbitrator has ended or before a decision resolving the dispute is rendered.

"How Do I Request Arbitration?"

You may request arbitration by writing to the American Moving and Storage Association, Attention: Dispute Settlement Program, 1611 Duke Street, Alexandria, VA 22314. Your request to AMSA may also be sent by fax to 703-683-7524. Your letter of request must be sent to AMSA within 60 days after your mover has made its final settlement offer or denial of your claim to you in writing. Along with your name, address and telephone number, the following information should be included in your request for arbitration:

- The name of your mover and the identification number of the shipment,
- Any assigned loss and damage claim number,
- The name you shipment moved under (if other than your own), and the dates and locations where the shipment was picked up and delivered,
- The dollar \$ amount of your loss or damage claim.

Settlements are often achieved before the arbitration process begins. Therefore, you do not need to include the administrative fee or detailed documents supporting your position with your initial request. Instead, they will be due later if your case cannot be settled and proceeds to arbitration with the Forum.

After we receive your information, AMSA will promptly notify the carrier of your request for arbitration and, if the dispute falls within the program guidelines, forward to you the required forms and program rules. You will then have 20 business days to complete the forms and return them to the Forum, along with your portion of the administrative fee. Then the carrier submits its documentation and its portion of the administrative fee and the arbitration process begins. The arbitrator makes most decisions within 30 days of receiving all the necessary forms and documents.

If you would like to receive more information on the Dispute Settlement Program, you may write to the AMSA at the address shown above and request a copy of the program rules and sample forms or log on to our web site at www.moving.org for more information.

"What Can An Arbitrator Award And What Is The Legal Status of That Decision?"

The arbitrator may grant any remedy or relief the arbitrator feels is just and appropriate within the scope of the agreement between you and your mover and within the rules of the program. In general, the amount of any award may not exceed your mover's liability under the bill of lading. In reaching a decision, the arbitrator will consider the applicable laws and the provisions of the tariff, as well as applicable practices of the moving industry. Under the rules of the program, the arbitrator only has jurisdiction to consider claims for loss or damage to the household goods transported, or such other disputes arising out of the transportation of your household goods that are mutually agreed upon, in writing, by both you and your mover. The arbitrator has no jurisdiction to consider any other claims, including, but not limited to: consequential or incidental damages, mental anguish, loss of wages, punitive damages, alleged fraud, violations of law or any claim that cannot be arbitrated under law, such as allegations of criminal activity.

The arbitrator's decision is legally binding on both parties and can be enforced in any court having jurisdiction over the dispute. Under the rules of the program, there is a limited right to appeal the arbitrator's decision; however, courts will not usually revise findings of fact or law in a binding arbitration award.

"How Much Does Arbitration Cost?"

The Forum's administrative fee that you will be asked to share with your mover is based on the amount of the claim that is in dispute.

When the amount of the Claim is:

The Administrative fee is:

\$10,000 or less	\$450.00
Over \$10,000 up to \$20,000	\$550.00
Over \$20,000 up to \$30,000	\$600.00
Over \$30,000 up to \$40,000	\$650.00
Over \$40,000 up to \$50,000	\$700.00
Over \$50,000	\$700.00 plus one (1%) percent of the amount over \$50,000

For example, if the amount of the disputed claim is \$7500, the applicable administrative fee would be \$450. This fee would be shared equally between the parties with the carrier and the claimant each paying \$225. If the claim in dispute was higher, \$75,000 for example, a \$700 fee would apply plus 1% of the amount over \$50,000. In this example, the fee to be shared by the parties would be \$950 (\$700 plus 1% of \$25,000); the fee for each party would be \$475.00. Unless otherwise agreed to by both parties, you and your mover pay equal shares of the fee.

The arbitrator may apportion the fee as part of the final award by determining which party shall pay the cost or a portion of the cost of the arbitration proceeding, including the

cost of initiating the arbitration process. In other words, the arbitrator may decide to refund all, a portion or none of your initial fee, depending on the circumstances of your dispute.