



ARMSTRONG RELOCATION  
& COMPANIES

## INDUSTRY UPDATE

# Interstate Tariff Changes

### Fundamental Interstate Tariff Changes

For over 70 years, interstate household goods carriers have participated in the Household Goods Carriers' Bureau Committee ("HGCBC"). The HGCBC formulates rates, charges and other provisions that apply to all participating carriers. These rates have been formalized into Tariff 400-N, currently in use. In addition to its application for interstate moves, Tariff 400 is typically applied to intrastate moves in deregulated states. As such, its impact is widespread and significant.

The activities of the HGCBC are periodically reviewed by the Surface Transportation Board ("STB"). On May 7, 2007, due to a decision by the STB, it was announced that the antitrust immunity that has allowed household goods movers to perform collective ratemaking through the HGCBC is being lifted.

The STB summarized its rationale in the following statement: "Our termination of approval of the HGCBC agreement and resulting removal of antitrust immunity for setting rates will infuse more competition into the system."

As a result, effective January 1, 2008, Tariff 400 will no longer be the tariff utilized by carriers for interstate household goods moves. Instead, each of the 2,300 carriers will have to file its own tariff in the structure and at the price points of its choosing.

## **Recommendations**

In light of this fundamental and far-reaching tariff change, the temporary uncertainty surrounding this change, and the day-to-day issue of pricing household goods moving and storage services, an employer is advised to:

- Consult with an industry-leading agent partner for insight, analysis and implications as new tariffs are developed
- Consider alternative pricing structures, regardless of tariff selected
- Select an agent partner with strategic, fiscal and technical resources to respond to these changes in a timely manner
- Request and evaluate pricing alternatives as part of a Request for Proposal process

For more discussion on the matter, contact an Armstrong Relocation representative.

## **About Armstrong Relocation**

Founded in 1922 and under its current ownership since 1957, Armstrong Relocation is the leading household goods agent for United Van Lines. Through its 23 agency locations, Armstrong satisfies the moving and storage needs of discerning employers across town, across the country and around the world.