

Public Law 99-521
99th Congress

An Act

To amend title 49, United States Code, to reduce regulation of surface freight forwarders, and for other purposes.

Oct. 22, 1986

[S. 1124]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Surface Freight
Forwarder
Deregulation
Act of 1986.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Surface Freight Forwarder Deregulation Act of 1986".

Transportation.
Commerce and
trade.

SEC. 2. PURPOSE.

This Act is part of the continuing effort by Congress to reduce burdensome and unnecessary government regulations and to ensure the competitiveness and efficacy of transportation services of surface freight forwarders in the United States.

49 USC 10101
note.

49 USC 10101
note.

SEC. 3. FINDINGS.

The Congress finds that—

49 USC 10101
note.

(1) a safe, sound, and competitive surface freight forwarder industry is important to the national transportation system;

(2) the statutes governing Federal regulation of the freight forwarder industry are outdated and must be revised to reflect present and future transportation needs and realities;

(3) protective regulation has resulted in anticompetitive pricing and has restricted the range of price and service options available to shippers;

(4) in order to reduce the uncertainty experienced by the Nation's transportation industries, the Interstate Commerce Commission's remaining responsibilities for the regulation of surface freight forwarders should be eliminated in accordance with this Act; and

(5) legislative and resulting changes should be implemented with the least amount of disruption consistent with achieving the reforms enacted.

SEC. 4. DEFINITIONS.

Section 10102 of title 49, United States Code, is amended as follows:

(1) COMMON CARRIER.—In paragraph (4), insert "household goods" before "freight forwarder".

(2) FREIGHT FORWARDER.—In paragraph (9), after and below subparagraph (C), insert the following new sentence:

"Such term does not include a person using transportation of an air carrier subject to the Federal Aviation Act of 1958."

(3) HOUSEHOLD GOODS FREIGHT FORWARDER.—Redesignate paragraphs (12) through (30), and any references thereto, as paragraphs (13) through (31), respectively, and insert after paragraph (11) the following new paragraph:

49 USC app. 1301
note.

“(12) ‘household goods freight forwarder’ means a freight forwarder of one or more of the following items: household goods, unaccompanied baggage, or used automobiles.”.

SEC. 5. INTERSTATE COMMERCE COMMISSION ADMINISTRATION.

(a) **NOTICE OF REMOVAL OF OPERATING RESTRICTIONS.**—Section 10328(b)(2) of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder”.

(b) **SERVICE OF NOTICE IN COMMISSION PROCEEDINGS.**—Section 10329 of title 49, United States Code, is amended—

(1) in subsection (a)(2) by inserting “household goods” before “freight forwarder”;

(2) in subsection (c)(3) by inserting “household goods” before “freight forwarder” each place it appears; and

(3) in subsection (d) by inserting “household goods” before “freight forwarder”.

SEC. 6. JURISDICTION.

(a) **LIMITATION ON JURISDICTION OVER PROCUREMENT OF MOTOR VEHICLE TRANSPORTATION.**—Section 10521(a) of title 49, United States Code, is amended by inserting after “transportation” the second place it appears “, except by a freight forwarder (other than a household goods freight forwarder),”.

(b) **EXEMPT MOTOR VEHICLE TRANSPORTATION.**—Section 10523 of title 49, United States Code, is amended—

(1) in subsection (a)(1)(B)(iii) by inserting “household goods” before “freight forwarder”;

(2) in subsection (a)(1)(C) by inserting “household goods” before “freight forwarder”;

(3) in subsection (a)(2) by inserting “household goods” before “freight forwarder”;

(4) in subsection (b)(1)(B)(iv) by inserting “household goods” before “freight forwarder”; and

(5) in subsection (b)(2) by inserting “household goods” before “freight forwarder” each place it appears.

(c) **LIMITATION ON GENERAL JURISDICTION OVER FREIGHT FORWARDERS.**—Section 10561 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder” each place it appears.

(d) **EXEMPT FREIGHT FORWARDER SERVICE.**—(1) Section 10562 of title 49, United States Code, is repealed.

(2) The section analysis of chapter 105 of title 49, United States Code, is amended by striking

“10562. Exempt freight forwarder service.”
and inserting in lieu thereof

“10562. Repealed.”.

SEC. 7. RATES, TARIFFS, AND VALUATIONS.

(a) **AUTHORITY TO ENTER INTO CONTRACTS WITH CERTAIN CARRIERS.**—Section 10703(a)(4)(E) of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder”.

(b) **AUTHORITY OF COMMISSION.**—Section 10704 of title 49, United States Code, is amended—

(1) in subsection (b)(1)(C) by inserting “household goods” before “freight forwarder”;

(2) in subsection (b)(3) by inserting "household goods" before "freight forwarder"; and

(3) in subsection (b)(4) by inserting "household goods" before "freight forwarder" and "freight forwarding, respectively".

(c) **RATE AGREEMENTS; ANTI-TRUST LAWS.**—Section 10706 of title 49, United States Code, is amended—

(1) in subsection (a)(2)(A) by striking "(c)(1)(B)–(E)" and inserting in lieu thereof "(d)(1)(B)–(E)"; and

(2) in subsection (d)(1)(E) by striking "Freight" and inserting in lieu thereof "Household goods freight".

(d) **INVESTIGATION AND SUSPENSION OF RATES.**—Section 10708 of title 49, United States Code, is amended—

(1) in subsection (d)(1) by inserting "household goods" before "freight forwarder"; and

(2) in subsection (d)(2) by inserting "household goods" before "freight forwarders" each place it appears.

(e) **SPECIAL PASSENGER RATES.**—Section 10722(d)(2) of title 49, United States Code, is amended by inserting "household goods" before "freight forwarder".

(f) **SPECIAL RATES.**—Section 10725 of title 49, United States Code, is amended—

(1) in subsection (b) by inserting "household goods" before "freight forwarders"; and

(2) in subsection (c) by inserting "household goods" before "freight forwarder".

(g) **RATES AND LIABILITY BASED ON VALUE.**—Section 10730 of title 49, United States Code, is amended—

(1) in the last sentence of subsection (a) by inserting "by a household goods freight forwarder" after "Commission" the first place it appears; and

(2) in subsection (b)—

(A) by inserting "or a freight forwarder" after "title" the first place it appears,

(B) by inserting ", with respect to a motor carrier," after "including", and

(C) by inserting "or freight forwarder" after "carrier" the last 5 places it appears.

(h) **PROHIBITION AGAINST DISCRIMINATION.**—Section 10741(c) of title 49, United States Code, is amended by inserting "household goods" before "freight forwarder" each place it appears.

(i) **PAYMENT OF RATES.**—Section 10743(b)(2) of title 49, United States Code, is amended by inserting "household goods" before "freight forwarder".

(j) **LIMITATION ON USE OF COMMON CARRIERS.**—(1) Section 10749(b) of title 49, United States Code, is amended by inserting "household goods" before "freight forwarder" each place it appears.

(2) The heading of section 10749 of title 49, United States Code, is amended by inserting "household goods" before "freight forwarders".

(3) The item relating to section 10749 in the section analysis of chapter 107 of title 49, United States Code, is amended by inserting "household goods" before "freight forwarders".

(k) **GENERAL TARIFF REQUIREMENTS.**—Section 10762(a)(2) of title 49, United States Code, is amended by inserting "household goods" before "freight forwarder".

(l) **TRAFFIC AGREEMENTS.**—

(1) **HOUSEHOLD GOODS FREIGHT FORWARDERS.**—Section 10766 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder” each place it appears.

(2) **CONTINUING AUTHORITY OF DEREGULATED FREIGHT FORWARDERS TO CONTRACT.**—Section 10766 of title 49, United States Code, is further amended by redesignating subsection (c), and any reference thereto, as subsection (d) and by inserting after subsection (b) the following new subsection:

“(c) **AUTHORITY OF FREIGHT FORWARDERS TO ENTER INTO CONTRACTS.**—A freight forwarder (other than a household goods freight forwarder) providing service which, on the day before the date of the enactment of the Surface Freight Forwarder Deregulation Act of 1986, would have been service subject to the jurisdiction of the Commission under subchapter IV of chapter 105 of this title may contract with—

“(1) a rail carrier,

“(2) a water common carrier providing transportation subject to the Shipping Act, 1916 (46 U.S.C. App. 801-842) or the Intercoastal Shipping Act, 1933 (46 U.S.C. App. 843-848),

“(3) a motor common carrier providing transportation subject to the jurisdiction of the Commission under subchapter II of such chapter,

“(4) a motor contract carrier of property providing transportation subject to the jurisdiction of the Commission under such subchapter II, and

“(5) a shipper.”.

SEC. 8. LICENSING.

(a) **PERMITS.**—(1) Section 10923 of title 49, United States Code, is amended by inserting “households goods” before “freight forwarder” each place it appears.

(2) The heading of section 10923 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarders”.

(3) The item relating to section 10923 in the section analysis of chapter 109 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarders”.

(b) **EFFECTIVE PERIOD OF PERMITS.**—Section 10925 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder” each place it appears.

(c) **TRANSFERS OF PERMITS.**—Section 10926 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder” each place it appears.

(d) **SECURITY.**—(1) Section 10927(c)(1) of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder” each place it appears.

(2) Section 10927(c)(2) of title 49, United States Code, is amended—

(A) by inserting “household goods” before “freight forwarder” the first place it appears,

(B) by inserting “or a freight forwarder” after “permit”, and

(C) by striking “under this subtitle”.

(e) **LIMITATIONS ON PERMITS.**—Section 10930(b) of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder” each place it appears.

(f) **AUTHORIZING ABANDONMENT OF SERVICE.**—(1) Section 10933 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder” each place it appears.

49 USC 10561.

49 USC 10521.

(2) The heading of section 10933 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder”.

(3) The item relating to section 10933 in the section analysis of chapter 109 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder”.

SEC. 9. OPERATIONS OF CARRIERS.

(a) PROVIDING TRANSPORTATION AND SERVICE.—Section 11101(b) of title 49, United States Code, is amended by inserting “household goods” before “freight forwarders”.

(b) SERVICE.—(1) Section 11127 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder” and “freight forwarders” each place they appear.

(2) The heading of section 11127 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarders”.

(3) The item relating to section 11127 in the section analysis of chapter 111 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarders”.

(c) REPORTS AND RECORDS.—Section 11141(1) of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder”.

SEC. 10. FINANCE.

(a) LIMITATION ON OWNERSHIP OF OTHER CARRIERS.—Section 11323 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder” each place it appears.

(b) CONFORMING AMENDMENTS.—(1) The heading of section 11323 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarders”.

(2) The item relating to section 11323 in the section analysis of chapter 113 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarders”.

SEC. 11. FEDERAL-STATE RELATIONS.

(a) ICC AUTHORITY OVER INTERSTATE TRANSPORTATION.—Section 11501 of title 49, United States Code, is amended—

(1) in subsection (a) by striking “carrier” and inserting in lieu thereof “household goods freight forwarder”; and

(2) by adding at the end thereof the following new subsection:

“(g) PREEMPTION OF STATE REGULATION OF FREIGHT FORWARDERS.—

“(1) GENERAL RULE.—Subject to paragraph (2) of this subsection, no State or political subdivision thereof and no interstate agency or other political agency of two or more States shall enact or enforce any law, rule, regulation, standard, or other provision having the force and effect of law relating to interstate rates, interstate routes, or interstate services of any freight forwarder.

“(2) CONTINUATION OF HAWAII’S AUTHORITY.—Nothing in this subsection and the amendments made by the Surface Freight Forwarder Deregulation Act of 1986 shall be construed to affect the authority of the State of Hawaii to continue to regulate a motor carrier operating within the State of Hawaii.”.

Hawaii.

(b) **STATE AUTHORITY TO ENJOIN ABANDONMENTS.**—Section 11505(b) of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder”.

SEC. 12. ENFORCEMENT: INVESTIGATIONS, RIGHTS, AND REMEDIES.

(a) **GENERAL AUTHORITY.**—(1) Section 11701(a) of title 49, United States Code, is amended by striking “or broker” each place it appears and inserting in lieu thereof “, broker or freight forwarder”.

(2) Section 11701(b) of title 49, United States Code, is amended by inserting “, or freight forwarder” before the period at the end of the first sentence.

(b) **RIGHTS AND REMEDIES OF INJURED PERSONS.**—Section 11705 of title 49, United States Code, is amended—

(1) in subsection (a) by inserting “or a freight forwarder” after “title”;

(2) in subsection (b)(1)—

(A) by inserting “or a freight forwarder” after “title” the first place it appears, and

(B) by inserting “or the applicable freight forwarder rate, as the case may be” after “title” the second place it appears; and

(3) in subsection (b)(3) by inserting “or a freight forwarder” after “title”.

(c) **LIMITATION ON COURT ACTIONS.**—Section 11706(a) of title 49, United States Code, is amended—

(1) by inserting “or a freight forwarder” after “title”; and

(2) by inserting “or freight forwarder” after “carrier” the second place it appears.

(d) **LIABILITY UNDER RECEIPTS AND BILLS OF LADING.**—Section 11707(a) of title 49, United States Code, is amended—

(1) in paragraph (1)—

(A) by inserting “and a freight forwarder” after “title” the first place it appears,

(B) by inserting “or freight forwarder” after “carrier” the first place it appears in the second sentence,

(C) by inserting “, except in the case of a freight forwarder,” after “and” in the third sentence, and

(D) by inserting “or freight forwarder” after “carrier” in the fourth sentence; and

(2) in paragraph (2) by striking “subject to this subtitle”.

(e) **PRIVATE ENFORCEMENT OF LICENSES.**—(1) Section 11708(a) of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder”.

(2) The heading of section 11708 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder”.

(3) The item relating to section 11708 in the section analysis of chapter 117 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder”.

SEC. 13. CIVIL AND CRIMINAL PENALTIES.

(a) **ADDITIONAL RATE AND DISCRIMINATION VIOLATIONS.**—Section 11904(d)(1) of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder” each place it appears.

(b) **ABANDONMENT OF SERVICE.**—(1) Section 11908 of title 49, United States Code, is amended by inserting “household goods” before “freight forwarder” each place it appears.

(2) The heading of section 11908 of title 49, United States Code, is amended by inserting "household goods" before "freight forwarder".

(3) The item relating to section 11908 in the section analysis of chapter 119 of title 49, United States Code, is amended by inserting "household goods" before "freight forwarder".

(c) RECORDKEEPING AND REPORTING VIOLATIONS.—Section 11909(d) of title 49, United States Code, is amended by inserting "household goods" before "freight forwarder" each place it appears.

(d) UNLAWFUL DISCLOSURE OF INFORMATION.—Section 11910(a)(4) of title 49, United States Code, is amended by inserting "household goods" before "freight forwarder" each place it appears.

SEC. 14. LIMITATION ON STATUTORY CONSTRUCTION.

Nothing in this Act (including any amendment made by this Act) shall be construed to limit or otherwise affect the authority of the Secretary of Transportation to regulate a freight forwarder and the transportation the freight forwarder uses (whether or not such transportation is provided by a carrier subject to the jurisdiction of the Interstate Commerce Commission under chapter 105 of title 49, United States Code).

SEC. 15. EFFECTIVE DATE.

This Act shall take effect sixty days after the date of the enactment of this Act.

Approved October 22, 1986.

49 USC 10101
note.

49 USC 10501 *et*
seq.
49 USC 10102
note.

LEGISLATIVE HISTORY—S. 1124:

SENATE REPORTS: No. 99-120 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD:

Vol. 131 (1985): Nov. 4, considered and passed Senate.

Vol. 132 (1986): Sept. 30, considered and passed House, amended.

Oct. 8, Senate concurred in House amendment.