

UNITED STATES
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

National Consumer Complaint Database

Docket Number: FMCSA-2024-0313

COMMENTS

SUBMITTED BY THE

TRANSPORTATION INTERMEDIARIES ASSOCIATION (TIA)



1900 Duke Street, Suite 300
Alexandria, Virginia 22314
703-299-5700
www.tianet.org

Daniel Hoff
Vice President of Government Affairs

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The Transportation Intermediaries Association (TIA) submits these comments in response to the Federal Motor Carrier Safety Administration (FMCSA) Information Collection Request (ICR), published in the Federal Register on January 3, 2025. FMCSA is seeking feedback on the National Consumer Complaint Database (NCCDB) program and system, as well as recommendations for expanding the program following the U.S. Government Accountability Office's (GAO) process recommendations from September 2023. This indicates that the information being collected has not sufficiently contributed to FMCSA's mission of ensuring safer motor carrier operations and enhancing consumer protection. For the reasons outlined below, TIA supports continued efforts to prioritize the NCCDB to combat fraud. Improving the NCCDB will foster a safer, more reliable, and fraud-resistant environment that benefits all stakeholders, including carriers, brokers, shippers, and regulators.

Identity and Interest of the Transportation Intermediaries Association

TIA is the professional organization of the \$343 billion third party logistics industry. TIA is the only U.S. organization exclusively representing transportation intermediaries of all disciplines doing business in domestic and international commerce. TIA is the voice of transportation intermediaries to shippers, carriers, government officials, and international organizations.

TIA members include nearly 2,000 motor carrier property brokers, surface freight forwarders, international ocean transportation intermediaries (ocean freight forwarders and NVOCCs), air forwarders, customs brokers, warehouse operators, logistics management companies, intermodal marketing companies, and motor carriers.

Transportation intermediaries or third-party logistics professionals are the connective tissue that link shippers and carriers to form the backbone of the logistics network that empowers the U.S. supply chain. They serve tens of thousands of shippers and carriers and specialize in aligning the transportation needs of the cargo interests, with the corresponding capacity and specialized equipment offered by rail, motor, air, and ocean carriers.

TIA Comments on the ICR

Background on the National Consumer Complaint Database (NCCDB)

The National Consumer Complaint Database (NCCDB) was established under the Transportation Equity Act for the 21st Century (P.L. 105-178) and refined through subsequent legislation, including the Motor Carrier Safety Improvement Act of 1999 and the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (P.L. 109-59). These laws mandated the creation of a system for consumers to file complaints against

household goods motor carriers, with procedures for public access to aggregated complaint data. The system also allows carriers to challenge duplicate or fraudulent complaints.

The Burden of Fraud on Companies

Fraud is a growing and ever changing issue in the goods movement industry. According to the TIA Fraud Framework, there was a 600% increase in cargo theft between November 2022 and March 2023, costing the victim broker an average of \$400,000 annually. The National Insurance Crime Bureau (NICB) estimates that cargo theft across the entire supply chain constitutes a \$15 to \$35 billion fraudulent industry. TIA strongly supports advancing the NCCDB as a vital tool for combatting increasingly sophisticated fraud, including traditional cargo theft, double-brokering, and "strategic theft," in which criminals use stolen identities to divert and steal high-value shipments. As criminal tactics evolve, fraud prevention strategies must also advance.

Preventing and addressing fraud demands substantial time and resources, requiring companies to continuously monitor, verify, and respond to fraudulent activities. This diverts attention from core business operations, leading to reduced productivity and increased operational costs. The time spent handling fraud—whether attempted or successful—further strains employees and amplifies the overall burden on businesses. Strengthening the database and ensuring FMCSA can enforce civil penalties is more urgent than ever to protect the logistics network and industry stakeholders.

The Importance of Modernizing the NCCDB

FMCSA has expanded its identification of fraud in the freight industry. Under MAP-21, FMCSA has the authority to target registration fraud and now has the additional ability to use the NCCDB to identify bad actors. On February 22, 2022, FMCSA updated the NCCDB to enhance brokers' ability to report bad actors, particularly those engaged in illegal double-brokering. This modernization was critical for addressing the rise in fraud, specifically during the pandemic, which saw an increase in fraudulent practices. The update aimed to streamline reporting and make the process more responsive to emerging fraud challenges in the logistics sector.

While these improvements have been helpful, the NCCDB could be a valuable tool for brokers to vet carriers, share information with industry peers, and report fraud to mitigate future risks. We have identified a number of benefits, including:

1. **Improved Identification of Bad Actors:** A more robust database will help FMCSA track fraud patterns, such as unlicensed operations, double-brokering schemes, and non-payment to carriers.

2. **Enhanced Industry Reputation:** By distinguishing legitimate businesses from fraudulent ones, a stronger NCCDB will foster greater trust and improve the overall reputation of the industry.
3. **Increased Enforcement Capabilities:** With higher-quality data, FMCSA can efficiently allocate resources and take effective enforcement actions against fraudulent entities.
4. **Protection for Consumers and Businesses:** A strengthened database will safeguard shippers and motor carriers from scams, contributing to a fairer marketplace.
5. **Level Playing Field:** Eliminating fraudulent actors ensures fair competition and prevents legitimate businesses from being undercut by deceptive practices.
6. **Increased Awareness and Reporting:** Improving accessibility and educating stakeholders about the NCCDB will encourage more reporting of fraudulent activities, thereby enhancing its effectiveness.

TIA's Recommendations

While improvements have been made to the NCCDB, there are also challenges that prevent it from providing tangible benefits and outcomes. Users frequently receive inadequate responses when calling the hotline or submitting complaints through the portal, discouraging them from reporting issues. There are rarely clear outcomes tied to any complaint or even large numbers of similar complaints. To be truly effective, the NCCDB must provide consistent and clear responses to complaints, real-time alerts on potential risks, enable the swift identification of bad actors, proactively support the prevention of fraud and other issues, and reduce the administrative burden on industry.

Section 23016 of the Bipartisan Infrastructure Law required the Government Accountability Office (GAO) to assess the NCCDB's effectiveness in processing and addressing complaints. The GAO's September 2023 report, *Motor Carrier Operations: Improvements Needed to Federal System for Reporting and Addressing Complaints* (Report Number: GAO-23-105972), found that "FMCSA has not designed sufficient controls to help ensure its policy for reviewing complaints." The report issued 14 recommendations, with FMCSA agreeing to 13 of them. However, implementation is not expected until Fiscal Year 2026.

To better combat fraud, TIA urges FMCSA to expedite the implementation of GAO's recommendations and take additional measures to strengthen the NCCDB.

TIA specifically recommends the following actions:

1. **User Testing:** Conduct regular usability tests with external users to improve the NCCDB website. Collaborate with industry associations to enhance its effectiveness, issues that

are collected, and user support. The system should also be clear, fast and easy to use for a variety of users.

2. **Outreach Plan:** Develop a comprehensive outreach plan that incorporates best practices and ensures that the industry knows this is an important tool to prioritize FMCSA's enforcement action. Include a resource section on the issues that are identified in the complaint.
3. **Centralized Complaint Collection:** Establish a centralized system for collecting, monitoring, analyzing and responding to consumer complaints. Implement an automated response system that confirms report receipt, provides status updates, and issues final resolutions with timestamps. Ensure that the enforcement tracking system correlates to complaints in the consumer database, so that users can easily understand how enforcement actions addressed their complaint.
4. **Timely Responses:** Implement procedures ensuring that consumers receive prompt and consistent responses to their complaints, as well as follow up as issues are addressed and resolved.
5. **Public Sharing of Complaint Information:** Make relevant and non-proprietary complaint information publicly available and share it with relevant federal and state agencies. Establish a section to display FMCSA's final actions on complaints (e.g., suspended authority, revoked authority, fines, no action, pending review, or dismissed). This will enhance confidence in FMCSA, support NCCDB usability, and deter fraudulent actors.
6. **Categorization of Reports:** Implement separate reporting categories to group similar allegations, improving submission accuracy and expediting FMCSA's review and enforcement processes.
7. **Identity Theft Reporting:** Expand the categories to cover all manner of potential fraudulent activities as the issue is growing and evolving. For example, FMCSA should add a category specifically for identity theft. As digital fraud techniques advance, cybercriminals exploit weaknesses in verifying business credentials. A dedicated category would streamline FMCSA's response, aid in identifying cyber threats, and enhance fraud prevention efforts.

Conclusion

Stronger enforcement measures and regulatory oversight are essential to reducing fraud and preventing unlawful brokerage activities. The NCCDB is an important tool for identifying, investigating and addressing issues as they arise. FMCSA's online resources should provide greater consumer protection, enable better fraud reporting, and alert stakeholders to issues and fraudulent actors. To achieve this, FMCSA must prioritize resolving outstanding NCCDB complaints, enforcing penalties for violations, better improving tracking and analyzing of

complaints, and closing loopholes that criminals exploit. TIA remains committed to advocating for these improvements, recognizing that FMCSA's role in enforcement and regulation is crucial to maintaining the integrity of the supply chain.

Respectfully submitted,

TIA
1900 Duke Street, Suite 300
Alexandria, VA 22314

Daniel Hoff
Vice President of Government Affairs