

Not comprehensible to the average consumer

I have been trying for a number of years to let you know “the sky is falling.” We have a transportation industry, or for you younger readers a supply chain, that has its roots in legislation that goes back to 1887, and the commerce clause in the Constitution. Some will argue that it is much older and predates the founding of our Country, and they would be correct. My concern is how I get the reader to “Pay Attention.” Thank you Congress for passing the new CARD act.

The Credit Card Accountability Responsibility and Disclosure (CARD) Act has its roots in the regulations of the Federal Reserve crafted last year that took effect in July.

These new rules are to make credit card contracts easier for consumers to understand. Previously, the disclosures on most credit card contracts were **"not comprehensible to the average consumer."**

Now banks are required to spell out important information on what credit cards will cost you on your statement. Included is information on how long it will take to pay off your card making only the minimum payment and how much interest you will pay, which should help consumers to manage their credit better. This is one of the ways to let consumers understand some of the rules and terms and conditions. If you read them and can actually understand them, then the new rules really have the intended results of the legislation.

Let's find a way to stay on top of new regulations and understand their impact on you and your business. The disclosure regulations and rules are only as good as the people who actually read and use them on a daily basis. No more universal default, more time to pay bills, highest interest paid first, limits on over-the-limit fees, no double-cycle billing, making minimum payments and subprime card fee limits. Wow that is a lot of new rules. How did anyone obtain all this information to craft these regulations, and did your input help?

What will the cost be to the credit card industry? Do you think credit cards will be harder to obtain? Will the rules and regulations for small accounts or lower income users be the same? Will they get the same “deals” as large users or quick pay users?

For you transportation users this is an equivalent to carrier Rules Tariff, Pricing Tariff and the infamous Terms and Conditions. We have discussed carrier rates, jointly determined rates, classification and new methods to avoid all the traps in papers that are available on www.thevisibilitygroup.com. Short story, “go to contract with your carrier.” I will do one better - check out the web page www.motorcarriercontracts.com. This should get you up to speed on this industry that loves complexity. Just one example and then I am done.

Item 595 (from the NMFC, National Motor Freight Classification book)

MAXIMUM CHARGES

In no case shall the charge for any shipment from and to the same points, via the same route of movement, be greater than the charge for a greater quantity of the same commodity in the same shipping form and subject to the same packing provisions at the rate and weight applicable to such greater quantity of freight. (Better read it again)

For the really advanced, read item 360, then item 640.

Think Cube Based Pricing™.



The U.S. trucking industry is comprised of over 564,000 for-hire and private carriers.

The carriers that subscribe to the NMFC number less than 1000.

Our chief concern – that classification not be used to stifle competition among motor carriers following the demise of the rate bureau system – reflects a policy of deterring unfair competitive practices. Termination of approval is consistent with our policy goal to meet the needs of shippers and other consumers of motor carrier services. *Moreover, to the extent our decision facilitates the entry of competitors to NCC (now CCSB) that might devise different ways of determining the transportation characteristics of commodities; we believe it will increase the variety of pricing options available to both carriers and shippers.* In sum, our action today terminating NCC's approval is fully supported by the regulatory policy goals that Congress has instructed us to pursue.

SERVICE DATE – MAY 7, 2007 EB SURFACE TRANSPORTATION BOARD DECISION STB Ex Parte No. 656

© 2009 The Visibility Group, Inc. www.thevisibilitygroup.com