



HOUSEHOLD GOODS FORWARDERS ASSOCIATION OF AMERICA, INC.®

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February 5, 1993

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ALAN F. WOHLSTETTER
General Counsel
Washington, D.C.

Honorable John W. Clark, Esq.
Acting Assistant Attorney General
Antitrust Division, Room 3208
U.S. Department of Justice
Washington, D.C. 20530

Dear Sir:

The Household Goods Forwarders Association of America, Inc. (HHGFAA) hereby requests a Business Review Letter, pursuant to 28 C.F.R. §50.6, with respect to proposed amendments to its By-Laws relating to eligibility for and expulsion from Associate Membership. A copy of Article IV of the present By-Laws, with proposed amendments underscored, is enclosed.

The HHGFAA is a non-profit corporation organized for the purpose of advancing the interests of the household goods freight forwarder industry. There are two classes of members of the HHGFAA. Active Membership is open to household goods freight forwarders engaged in the movement of household goods via the door-to-door through container method for, but not limited to, the Department of Defense. Associate Membership is open to any person, firm or corporation, other than a household goods freight forwarder engaged in the door-to-door container movement of household goods for the Department of Defense, who has an interest in the door-to-door movement of household goods or general commodities. The Associate Members include household goods freight forwarders who forward household goods for commercial shippers and other government agencies and persons who service the household goods forwarder industry, such as moving and storage companies who serve as agents, port agents, and suppliers of products and services. The HHGFAA presently has 87 Active Members, 308 Associate Members in the United States and 662 Associated Members located overseas.

This request for a Business Review Letter seeks approval of proposed amendments of the HHGFAA's By-Laws to provide for expulsion of an Associate Member for

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failure to pay monies owed to another Associate Member for services performed at the delinquent Associate Member's request. Also, under the proposed amendments, persons or companies who are delinquent in payments due Associate Members will not be eligible for membership. Article IV of the By-Laws with the proposed amendments to Article IV, Sections 1 and 4, underscored, is attached.

These amendments are necessary to ensure that Associate Members adhere to accepted and honest business practices in their dealings with other Associate Members. Approval of these amendments will provide a mechanism for self-regulation of Associate Members through the HHGFAA.

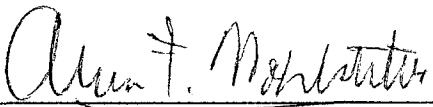
The amendment to Article IV, Section 4, provides a procedure for an Associate Member which is owed at least \$5,000 for service performed for another Associate Member, which amount has been unpaid for a minimum of 90 days, to present the delinquency to the Executive Committee for a determination of whether the delinquent Associate Member should be expelled. An Associate Member subject to expulsion will have the opportunity for a hearing. The proposed amendment to Section 1 would deny admission as an Associate Member to any applicant who is delinquent in payment to any Associate Member in an amount of \$5,000, or more, which amount is past due for at least 90 days.

We believe that the proposed amendments to the By-Laws which provide for self-regulation of membership and expulsion for cause, after hearing, are consistent with the antitrust laws. The HHGFAA and its members do not possess any power to control prices in any market, and membership in the HHGFAA is not a prerequisite to participating in or serving the household goods forwarder industry. Adoption of the proposed amendments to the HHGFAA By-Laws will not preclude any person or firm from competing in the many separate markets in which Associate Members serve, such as forwarding household goods for commercial shippers and government agencies other than the Department of Defense, local moving and storage, port agent, insurance, computer service or container manufacture, for example. Furthermore, prices in these markets will not be affected as a result of implementation of the HHGFAA By-Law amendments. For these reasons, we maintain that adoption of the proposed amendments to the HHGFAA By-Laws will not have any anti-competitive effects. See Northwest Wholesale Stationers, Inc. v. Pacific Stationery and Printing Co., 472 U.S. 284, 295-297 (1985).

We request that the Antitrust Division issue a Business Review Letter stating that it has no present intention to take enforcement action in the event the HHGFAA adopts the proposed amendments to its By-Laws.

Very cordially yours,

HOUSEHOLD GOODS FORWARDERS
ASSOCIATION OF AMERICA, INC.

By 
Alan F. Wohlstetter
General Counsel

Enclosure

PS. Please respond to me at 1700 K Street, NW,
Suite 301, Washington, D.C. 20006.