



Department of Justice

FOR IMMEDIATE RELEASE
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AT
(202) 616-2771

**JUSTICE DEPARTMENT WILL NOT CHALLENGE PROPOSAL BY HOUSEHOLD GOODS
MOVING ASSOCIATION TO EXCLUDE FINANCIALLY IRRESPONSIBLE MEMBERS**

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division said today it does not intend to challenge a proposal by a household goods moving association, headquartered in Virginia, that is intended to regulate its membership by excluding firms that have a poor credit history.

The Department concluded that the proposed eligibility amendments for, and expulsion from, associate membership in the organization, Household Goods Forwarders Association of America Inc. (HHGFAA), would not be anticompetitive because, among other things, they do not propose to cut back service or price, and because membership in the association is not required in order to compete in the industry.

The Department's position was stated in a business review letter from Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, to counsel for the HHGFAA.

The HHGFAA is a non-profit corporation comprised of active and associate members involved in the domestic and international movement of household goods by ship or truck, most often for the Department of Defense. The association proposes to amend its by-

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laws to deny associate membership to firms, and to provide for the expulsion of any associate member, for failure to pay monies owed to any associate member for services performed at the associate member's request.

Bingaman's letter stated that the adoption of the proposed by-laws is not likely to be anticompetitive, given that HHGFAA membership is not required for firms to provide the various goods and services that associate members typically provide and that a significant portion of business is conducted by non-HHGFAA members. In addition, the proposed by-law amendments contain procedural safeguards to ensure that affected entities receive notice of such actions and an opportunity to respond.

The letter further stated that the proposed amendments may have the desirable effect of facilitating the movement of household goods by assisting HHGFAA members in locating and contracting with firms in distant or foreign markets, based on knowledge of the association's criteria for the financial responsibility of its members and the existence of a mechanism to address any disputes that may arise.

Under the Department's business review procedure, a person or organization may submit a proposed course of action to the Antitrust Division for a statement of the Department's enforcement intention with respect to it. A file containing the business review request and the Department's response will be made available to the public in the Division's Legal Procedure

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Unit, Room 3235, Department of Justice, Washington, D.C. 20530.

After a 30-day waiting period, the documents supporting the request will be added to the file.

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