

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION



COMMISSIONERS: Deborah Platt Majoras, Chairman
Orson Swindle
Thomas B. Leary
Pamela Jones Harbour
Jon Liebowitz

In the Matter of)
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)
)
KENTUCKY HOUSEHOLD)
GOODS CARRIERS)
ASSOCIATION, INC.,)
)
a corporation.)
)
)

Docket No. 9309

**RESPONDENT'S MOTION FOR
RECONSIDERATION OR, IN THE
ALTERNATIVE, FOR A STAY OF
FINAL ORDER PENDING REVIEW
BY U.S. COURT OF APPEALS**

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July 21, 2005

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Respondent Kentucky Household Goods Carriers Association, Inc. ("Kentucky Association") hereby moves the Commission for (1) Reconsideration of the Final Order entered herein based on proceedings which have taken place at the Kentucky Transportation Cabinet since Respondent made its prior Motion for a Stay in this proceeding; or, in the alternative, (2) an Order pursuant to Section 3.56(c) of the Commission's Rules of Practice, staying the Final Order entered herein on June 21, 2005,

pending judicial review by U.S. Court of Appeals for the Sixth Circuit; and (3) such other and further relief as shall be appropriate.

I. Introduction

The Final Order in this proceeding was entered on June 21, 2005. Between the date of the Hearing on the Appeal from the Initial Decision and the entry of the Final Order, proceedings have taken place at the Kentucky Transportation Cabinet with respect to the activity challenged in the Complaint which the Kentucky Association believes demonstrates that the State Action Defense is available to Respondent in this proceeding by reason of the level of “Active Supervision” now being practiced by KTC. On this basis, Respondent believes that the Commission should reconsider its Final Order and determine that the Complaint should be dismissed. In the alternative, Respondent seeks a stay of the Final Order pending review by the U.S. Court of Appeals for the Sixth Circuit for the reasons described below.

II. Proceedings at the Kentucky Transportation Cabinet After the Initial Decision

Respondent’s previous Motion for a Stay of Proceedings described and documented a series of activities undertaken by KTC in an effort to bring about a disposition of this proceeding which would preserve the Kentucky regulatory program under review. Respondent filed this Motion on the day of oral argument of the Appeal from the Initial Decision. The Commission’s Opinion acknowledged the steps taken by KTC in the following statement:

“Although the materials submitted by Respondent in support of its motion indicate that the KTC has taken some initial steps to augment the level of supervision it exercises over the Kentucky Association’s collective rate-making (such as requiring some sort

of financial reports and written findings), these materials fall significantly short of demonstrating that the KTC's new procedures satisfy the "active supervision" requirement articulated by the Supreme Court in *Tico* [sic], and other relevant decisions. Most important, Respondent has not shown with precision what information the KTC will require to support proposed rate adjustments and what criteria the KTC will apply to assess the reasonableness of proposed rate adjustments. These are not questions that are likely to be answered satisfactorily merely by awaiting the KTC's action with regard to the Kentucky Association's most recent tariff filing. Rather, as Respondent itself has acknowledged, development of a new program of supervision will take some time." (Opinion at pp. 27-28.)

On April 11, 2005, Hon. Louis J. Amato, Hearing Officer, conducted a hearing at KTC's Frankfort, Kentucky offices, to consider the rate changes proposed in Supplement No. 86. A copy of the Transcript of the hearing, which includes the Exhibits received in evidence at that time, ("KTC Transcript") is attached as Exhibit "1."

Copies of the Post-Hearing Briefs filed by the Kentucky Association and Counsel for the Kentucky Transportation Cabinet in the rate proceeding are attached as Exhibits "2" and "3", respectively.

Statewide public notice of the proceeding was provided by the KTC through advertisement of the hearing in the Lexington Herald Leader and the Louisville Courier Journal. (KTC Transcript; p. 10)

Notice by mail was also provided to "interested persons" as determined by the Hearing Officer. (KTC Transcript; p. 10)

Included among those to whom notice was provided was the Attorney General of the Commonwealth of Kentucky, who failed to appear or otherwise participate in the proceeding. The Attorney General received notice of the hearing by Certified mail and

acknowledged receiving such notice in writing. The Hearing Officer took Administrative Notice of this fact. (KTC Transcript; p. 13)

Descriptions of Exhibits and explanations of their relevance to the rate relief sought to the subject proposed Tariff Supplement was adduced during testimony.

In the Kentucky Association's Post-Hearing Brief, the attention of the Hearing Officer was invited to the claims and legal arguments advanced by Complaint Counsel in this proceeding. Reference was also made to (1) the Initial Decision filed on June 25, 2004; and (2) the Appeal to the full Commission which was *sub judice* at the time of the KTC hearing).

III. Reasons Why a Stay is Warranted

Respondent's Application for a stay should be granted for all the reasons stated in R. 3.56(c) of the Commission's Rules, because (1) it is likely that Respondent will succeed on appeal; (2) Respondent will suffer irreparable harm if the stay is not granted; (3) no party or person will suffer injury if the stay is granted; and (4) the stay is in the public interest.

A. Likelihood of Applicant's Success on Appeal

The Commission has acknowledged that the State exercises an "oversight" function with regard to Movers' collective rates. The issue to be resolved on appeal is whether the Commission has correctly determined the degree of oversight that is necessary for the State Action Defense to attach. The Kentucky Association respectfully suggests that the U.S. Supreme Court precedents relied on by the Commission can be

interpreted differently and that Respondent and KTC should be afforded the opportunity to seek such an interpretation from the Judicial Branch.

It is not necessary for the Commission to “[harbor] doubt about its decision in order to grant the stay.” *In re California Dental Association*, Docket No. 9259; 1996 FTC LEXIS 277 at 4 (May 22, 1996). The Commission should consider the other factors described in R. 3.56(c), notwithstanding its view of the correctness of the Final Order and Opinion as to which review will be sought. *In re California Dental Association*, Docket No. 9259; 1996 FTC LEXIS 277 at 4 (May 22, 1996).

There is no other case known to Respondent where a state regulatory body administering a state regulatory program for household goods transportation rates has actively participated or intervened in a Section 5 proceeding which has been prosecuted by the Commission to a Final Order. In this case, the Commission was largely unmoved by the presence of the State regulatory body, to the extent of deeming its participation to be almost meaningless. Respondent believes that the Court of Appeals will attach considerably more significance to the views of the state regulatory agency in an “Active Supervision” analysis. Respondent believes this will be particularly true where the outcome of the analysis involves a sensitive area of consumer oriented public concern such as household goods moving.

Prior to the oral argument of the Appeal in this matter, KTC demonstrated to the Commission that it had instituted measures designed to comply with the position described in the Initial Decision. Respondent believes that it was error for the Commission to fail to accord due significance to the actions taken by KTC and believes that the Court of Appeals will agree.

Most importantly, Respondent believes that the Commission interpreted the applicable legal standard improperly in evaluating the record to determine the presence of “Active Supervision.” *Federal Trade Commission v. Ticor Title Insurance Company, et al.*, 504 U.S. 621 (1992) and *California Retail Liquor Dealers Assn. v. Midcal Aluminum, Inc., et al.*, 445 U.S. 97 (1980) do not contain the requirements announced by the Commission in this case.

With particular regard to this requirement of R. 3.56(c), the Commission has granted a stay where a “[Respondent’s] assertions of a likelihood of success on the merits merely revisit arguments that [the Commission has] already considered and rejected.” *In re Novartis Corporation*, Docket No. 9279; 128 FTC 233; 1999 FTC LEXIS 211 at 1 (August 5, 1999); *see also In re Toys “R” Us, Inc.*, Docket No. 9278; 1998 FTC LEXIS 224 at 2 (December 1, 1998).

B. The Kentucky Association Will Suffer Irreparable Harm if the Stay is not Granted

The Kentucky Association and its Members will suffer irreparable harm if the stay is not granted. However, the Kentucky moving public stands to suffer irreparable harm as well. Confusion in the computation and charging of applicable rates by Carriers will be the rule. This will be particularly so during the period that hastily assembled plans for complying with complicated statutes and regulations governing the filing and approval of household goods transportation rates are developed and implemented by Movers.

Similarly, KTC will likely be unable to accommodate the tidal wave of individual rate filings mandated by the Final Order, on short notice, in a manner consistent with the public interest.

Sections II and III of the Final Order have the effect of bringing about the cancellation of Tariff KYVDR No. 5 and any involvement of the Kentucky Association in the tariff publishing business. Since the Kentucky Association is not in a position to file individual tariffs on behalf of its Members or anyone else, the cancellation of the Agency Tariff currently on file and the Members' Powers of Attorney would represent an end of the business functions of the Kentucky Association. With no tariff on file, it would have no purpose. The Kentucky Association's non-tariff activities are insignificant in nature and would not, at the present time, warrant the continued operation of the organization.

In addition, the prejudice which would result to the Kentucky Association's 93 Members would be substantial. The preparation and development of an individual tariff is an effort and expense which few understand and fewer can perform in a professional and competent manner.

The fact that substantial, unrecoverable costs would be incurred by the Association, its Membership, KTC, and the moving public, warrants the granting of the stay. Similarly, "[the] potential to cause confusion if reversed by the court of appeals" is a matter of certainty in this case. *In re California Dental Association*, Docket No. 9259; 1996 FTC LEXIS 277 at 3 (May 22, 1996).

If the stay is not granted, and if the present Kentucky Association Agency Tariff on file with KTC is cancelled forthwith, as required by the Final Order, the predictable

sequence of events is as follows: (1) the Kentucky Association will terminate its business operations after compliance with the Final Order; (2) while many Carriers will be able to comply with the Order on an immediate basis, others will not, and there will be no enforcement mechanism or Industry group to counsel them regarding such compliance due the restrictions contained in the Final Order; (3) many of the State's Movers will either fail to file Tariffs on a timely basis, or file tariffs that fail to comply with State law; and (4) the opportunities for less than scrupulous Movers to engage in truly fraudulent activity will become more pronounced. This chain of events could never be reversed in the event of a modification or reversal of the Final Order by the Court of Appeals.

Compliance with the Final Order will represent the end of a regulatory program that has functioned without challenge, complaint, or objection (except for this case) for fifty (50) years. Before the work of the Kentucky Legislature, the Kentucky Transportation Cabinet, and the Kentucky Association, in protecting the public interest are irrevocably destroyed, the judicial review contemplated by the FTC Act should be permitted.

C. No Injury to Other Parties Will Result from a Granting of the Stay

Respondent does not propose to argue the wisdom of "per se" price fixing jurisprudence. However, an important distinction needs to be drawn between a case where there is at least *some* evidence of economic harm suffered as the result of a price fixing conspiracy, on the one hand, and a case where the economic harm, the price fixing, and the conspiracy all exist by reason of rules of legal interpretation and not factual conclusions, on the other hand. This is that case.

The record fails to disclose a single example of an unreasonable rate or any support for the conclusion that the KTC-approved collective ratemaking practices of Respondent have yielded anything other than fair and reasonable rates. It is respectfully submitted that there is no evidence in the record to support a *factual, evidentiary* conclusion that the Kentucky regulatory program has “[produced] powerful anticompetitive effects, including higher prices and fewer choices for consumers.” (Opinion; p. 1)

D. The Granting of the Stay
Is In the Public Interest

The Kentucky regulatory program has been in operation for fifty (50) years. To dismantle the program in one hundred twenty (120) days would serve no useful public purpose.

The Commission’s conclusion that the people of Kentucky are being harmed by the KTC administered program is based only on arcane rules of evidence applied in antitrust cases; there is no evidence in the record to support this conclusion although Complaint Counsel had ample opportunity to develop such a record. The record does not contain a single shred of evidence that any household goods transportation rate contained in the Kentucky Association Tariff is in any respect excessive, unjust, or unreasonable. Ritualistic incantations of the *per se* rule - - while perhaps not open to serious debate as a matter of antitrust law - - surely do not compel the conclusion that the issues in this case should not be reviewed. In fact, were it not for the existence of the rules which absolved Complaint Counsel of the need to expend any effort to attempt to establish the

unreasonableness of even a single Tariff rate, it is doubtful that they could have made out a case.

On the contrary, the Kentucky Transportation Cabinet has told the Commission that the public will suffer harm as the result of the Commission's Order.

Under these circumstances, it is respectfully submitted that to stay the Commission's Order pending review prejudices no person.

Respondent also notes that in a case such as this, where Respondent's adversary is Complaint Counsel, the "harm to others" and "public interest" prongs of the test contained in R. 3.56(c) should be considered together. *In re Toys "R" Us, Inc.*, Docket No. 9278; 1998 FTC LEXIS 224 at 4 (December 1, 1998).

IV. Conclusion

For all the foregoing reasons, Respondent Kentucky Household Goods Carriers Association, Inc. respectfully requests that its Motion for (1) Reconsideration of the Final Order entered herein based on proceedings which have taken place at the Kentucky Transportation Cabinet since Respondent made its prior Motion for a Stay in this proceeding; or, in the alternative, (2) an Order pursuant to Section 3.56(c) of the Commission's Rules of Practice, staying the Final Order entered herein on June 21, 2005, pending judicial review by U.S. Court of Appeals for the Sixth Circuit; and (3) such other and further relief as shall be appropriate; be in all respects granted.

Dated: New York, NY
July __, 2005

Respectfully submitted,

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KENTUCKY HOUSEHOLD GOODS
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DOCKET NO. 05-022

RE: RATE HEARING REGARDING SPECIAL SUPPLEMENT NO. 86
OF KYDVR #5

APPEARANCES

Hon. Louis J. Amato
HEARING OFFICER

Hon. James C. McMahon
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- and -

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APRIL 11, 2005

CAPITAL CITY COURT REPORTING

TERRI H. PELOSI, COURT REPORTER
900 CHESTNUT DRIVE
FRANKFORT, KENTUCKY 40601
(502) 223-1118

EXHIBIT "1"

The above-styled matter came on to be heard at the Transportation Cabinet, Hearing Room C421, 200 Mero Street, Frankfort, Kentucky, on Monday, April 11, 2005 at the hour of 10:00 a.m.

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1 MR. AMATO: This hearing today is the
2 application of the Kentucky Household Goods Carriers
3 Association for a rate change for carriers who are members of
4 the Association. We started with the filing of a supplement,
5 Supplement No. 86, which will be explained further in the
6 testimony; but, in summary, it's to delete Item 185 which is
7 a fuel surcharge, and 188 which is an insurance surcharge,
8 and to roll those into the regular rates.

9 Section 2 and 6 of Supplement 86 are
10 adjustments of the rate schedule to offset those surcharges,
11 as well as a request for an additional 1% increase in
12 Sections 2 and 6.

13 There were exhibits filed with those
14 reflecting the Department of Energy Gasoline and Diesel Fuel
15 Updates reflecting the U.S. average price of diesel fuel as
16 reported to that federal agency.

17 Subsequent to that filing, the
18 Department of Vehicle Regulation suspended the effectiveness
19 of those rate changes. The statutes permit that the
20 submission may be suspended for as long as six months.

21 Following that, a hearing was scheduled
22 which subsequently had to be changed because of the notice
23 provisions of Chapter 13B. And at a later date, the hearing
24 was scheduled for April 11th, today, at the location we are
25 in, Room C421 of the Transportation Cabinet Building.

1 We had a prehearing conference on
2 December 28th which was the original date for the hearing and
3 ironed out a bunch of things that would shorten the
4 presentation that was needed for today's hearing and simplify
5 and clarify the issues.

6 At this time, it's necessary for me to
7 advise you that I am the Hearing Officer. My name is Louis
8 J. Amato. I'm an Assistant General Counsel with the Office
9 of Legal Services of the Transportation Cabinet.

10 This hearing is conducted under the
11 statutes and the regulations of KRS Chapter 13B. The rules
12 of the agency are found in 601 KAR and the statutes for the
13 rate hearing in this particular case is in Chapter KRS 281.
14 Both the Association and the Cabinet are represented by
15 attorneys who are familiar with those statutes and
16 regulations.

17 The Association proponent of the rate
18 changes will have the burden of proof in this matter, and it
19 will be their job to find by a preponderance of the evidence
20 that the proposed rates are justified, rate increases are
21 justified.

22 At this time, I will ask the attorneys
23 to enter their appearances and to identify persons with them
24 that are in the hearing room at this time. Mr. McMahon, we
25 will go first with you.

1 MR. McMAHON: Your Honor, my name is
2 James C. McMahon, McMahon & Kelly, 60 East 42nd Street, New
3 York, New York. I'm the attorney for the Petitioner,
4 Kentucky Household Goods Carriers Association, Inc. With me
5 is James Dean Liebman, who is probably going to make an
6 application for me to be admitted to the Bar of the Cabinet
7 pro hac vice. And pending that formality, I would waive
8 introduction of the parties and persons that are accompanying
9 me here today, if that's okay with you, Your Honor.

10 MR. LIEBMAN: Mr. Liebman.

11 MR. LIEBMAN: Thank you, Your Honor.
12 We have made a motion and filed with the Cabinet that Mr.
13 McMahon be admitted to practice. And I believe the necessary
14 information has been filed and an affidavit or a declaration
15 of Mr. McMahon accompanying that. And we believe he would
16 satisfy the requirements to be admitted, and given the
17 Cabinet's approval of that, I would serve as local counsel.

18 MR. AMATO: All right. We received the
19 motion for admission on April 5th and have read it, and it is
20 approved, and Mr. McMahon is welcome to the Kentucky Bar
21 Association for the purposes of this hearing.

22 MR. LIEBMAN: Thank you, Your Honor.

23 MR. McMAHON: Thank you, Your Honor.
24 With me is Dennis Tolson, President of the Kentucky Household
25 Goods Carriers Association, Inc. He is also the President of

1 Vincent Fister, Inc. which has been designated as a test
2 carrier for the purposes of this proceeding and who will be
3 the sole witness in this proceeding.

4 With me also is Mr. A.F. Mirus. He is
5 the Chairman of the Tariff Committee of the Kentucky
6 Household Goods Carriers Association, which I will refer to
7 as the Kentucky Association, if that's acceptable to Your
8 Honor. He will not be testifying but will be available if
9 there are any technical questions arising out of the tariff
10 process.

11 MR. AMATO: Thank you, Mr. Mirus.

12 MR. McMAHON: With me also is William
13 Lally, Executive Director of the Kentucky Association. And
14 that represents those who are present with me today, Your
15 Honor.

16 MR. AMATO: All right. Thank you, sir.
17 Ms. Fugazzi.

18 MS. FUGAZZI: Yes, Your Honor. My name
19 is Dana Fugazzi. I'm here on behalf of the Cabinet. With me
20 today is Bill DeBord who is an Administrative Specialist with
21 the Cabinet, Sonia Sanders who is Director of Motor Carriers,
22 and Rick Taylor who is Assistant Director of Motor Carriers.

23 MR. AMATO: Thank you. Are there any
24 other appearances?

25 MS. FUGAZZI: No, sir.

1 MR. AMATO: All right. I need to
2 advise you that, in accordance with the requirements of KRS
3 Chapter 13B, the Cabinet advertised in both the Lexington
4 Herald Leader and the Courier Journal, both which are
5 statewide coverage of newspapers, the notice of this hearing.

6 In addition, the Cabinet sent certified
7 mail notices to 31 what we consider interested parties.
8 Thirty of the 31 return receipts came back. The one that did
9 not come back was addressed to Lexmark International, and I
10 forget what the address was, but apparently it was an
11 interested party listed by the Association.

12 Are there any preliminary matters
13 before you start your presentation, Mr. McMahon?

14 MR. McMAHON: Your Honor, if I may, the
15 pretrial order that was entered in the proceeding
16 contemplated the exchange and filing of premarked exhibits.
17 I have exhibits which I have given to counsel this morning
18 which are marked AX1 through AX21. These are the exhibits
19 which were previously filed but they were not marked.

20 I have given a copy to counsel. I
21 would like to present a copy to Your Honor, if I may, with
22 counsel's consent.

23 MS. FUGAZZI: I have no objection, Your
24 Honor.

25 MR. AMATO: You have the original for

1 the reporter?

2 MR. McMAHON: I have one copy other
3 than the copy I have given to counsel and for myself. I can
4 certainly make a copy available.

5 MR. AMATO: We'll use that one as the
6 original. You need one before you, don't you?

7 MR. McMAHON: Yes, I do, Your Honor.

8 MR. AMATO: You have that one for
9 yourself.

10 MR. McMAHON: I have one for myself and
11 an additional one.

12 MR. AMATO: Okay. Make the one that
13 you have in your hand the original for the reporter. Do you
14 have two copies of that, Ms. Fugazzi?

15 MS. FUGAZZI: I have one set that's
16 marked. I have the documents that were provided early on. I
17 assume those are duplicative. They appear to be the same.

18 MR. AMATO: I just need to use one of
19 those.

20 MR. McMAHON: There is one difference
21 which is there is one page which has been added as of today
22 which is Exhibit No. 21 which I would request leave to
23 include. It is a statement regarding the price of fuel.
24 Other than that, the documents which I have given to counsel
25 this morning -- I neglected to mention that to her -- other

1 than that, they are an exact duplicate of what was provided.

2 (EXHIBIT AX21)

3 MS. FUGAZZI: I have no objection.

4 MR. AMATO: We already have an exhibit
5 marked in this proceeding which I believe was a resume that
6 you submitted at the prehearing conference.

7 MR. McMAHON: Yes, Your Honor.

8 MR. AMATO: And it was identified as
9 the Association's Exhibit No. 1. What identification do you
10 have on this exhibit?

11 MR. McMAHON: I started AX1 as the
12 first exhibit here.

13 MR. AMATO: So, if we could, we need to
14 change that to Household Goods Association Exhibit No. 2, a
15 consolidated exhibit, and we will identify it further as AX1
16 through, what was the last number?

17 MR. McMAHON: Twenty-one.

18 MR. AMATO: Twenty-one. Okay.

19 MR. McMAHON: So, we will keep the
20 numbering on these as AX.

21 MR. AMATO: She will just add to what
22 you've got there as Association Consolidated Exhibit.

23 MR. McMAHON: Consolidated Exhibit.

24 May I approach and present these to the court reporter, Your
25 Honor?

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MR. AMATO: Yes.

MR. McMAHON: Your Honor, I just respectfully request that the record reflect that among those served with notice of the hearing, I'd ask that Your Honor take administrative notice of the fact that the Attorney General of the Commonwealth of Kentucky was served with notice of this hearing and apparently returned an acknowledgement of certified mail. Could Your Honor take administrative notice of that fact, please?

MR. AMATO: Yes.

MR. McMAHON: I have nothing further at this time of a preliminary nature.

MR. AMATO: All right. We're ready to go forward. Then, Mr. Tolson, could you come around to the witness table.

(Mr. Tolson sworn at this time)

MR. AMATO: State your name and address for the reporter.

MR. TOLSON: My name is Dennis Wayne Tolson. My business address is 2305 Pulumbo Drive, Lexington, Kentucky 40509.

1 DIRECT EXAMINATION BY MR. McMAHON:

2 Q. Are you ready, Mr. Tolson?

3 A. Yes, sir.

4 Q. Mr. Tolson, are you employed?

5 A. Yes.

6 Q. I'm just going to ask you, Mr. Tolson,
7 if you don't understand or cannot hear a question that I ask,
8 please interrupt me at the conclusion of that question and I
9 will rephrase it. Are those instructions acceptable to you?

10 A. Yes.

11 Q. Mr. Tolson, are you employed?

12 A. Yes.

13 Q. By whom?

14 A. Vincent Fister, Incorporated.

15 Q. In what capacity?

16 A. President and General Manager.

17 Q. Are you familiar with this proceeding?

18 A. Yes.

19 Q. Are you familiar with the Kentucky
20 Household Goods Carriers Association, Inc.?

21 A. Yes.

22 Q. And I'm going to refer to that
23 organization as the Kentucky Association. Is that acceptable
24 to you during your testimony here today?

25 A. Yes.

1 Q. Can you describe the business of the
2 Kentucky Association?

3 A. The Kentucky Association is a tariff
4 publishing agent.

5 Q. And does it publish tariffs for motor
6 carriers here in Kentucky?

7 A. Yes.

8 Q. For what type of business do those
9 carriers perform?

10 A. For the transportation of used
11 household goods within the State of Kentucky.

12 Q. Do you have a position with the
13 Kentucky Association?

14 A. Yes.

15 Q. And what is that position?

16 A. President.

17 Q. Can you tell me what KYDVR #5 is?

18 A. KYDVR #5 is the tariff that the
19 Kentucky Association has on file with the Division of Motor
20 Carriers.

21 Q. Are you familiar with Supplement No. 86
22 to KYDVR #5?

23 A. Yes.

24 Q. Can you tell me what it is?

25 A. Supplement 86 to KYDVR #5 is a request

1 to the Cabinet from the Kentucky Association to delete Item
2 185, fuel surcharge, delete Item 188, insurance-related
3 revenue surcharge, to roll those rates into the
4 transportation rates, and also to request an additional 1%
5 increase in Sections 2 and 6 to offset the increase in fuel
6 prices.

7 Q. When you say Cabinet, you are referring
8 to the Kentucky Transportation Cabinet, is that right?

9 A. Yes.

10 Q. Was Proposed Supplement No. 86, as you
11 have described it, approved by the Kentucky Association's
12 Board of Directors?

13 A. No. I'm sorry. By the Kentucky---

14 Q. Withdrawn. Did there come a time when
15 Supplement No. 86 in its proposed form was approved by the
16 Kentucky Association's Board of Directors?

17 A. Yes.

18 Q. Did there come a time when Supplement
19 No. 86 was submitted for approval to the Kentucky
20 Transportation Cabinet?

21 A. Yes.

22 Q. And what happened at that time?

23 A. There was a suspension and a Notice of
24 Hearing.

25 Q. And is that the occasion for our

1 hearing this morning, to your knowledge?
2 A. Yes.
3 Q. Do you have any evidence to submit on
4 behalf of the Kentucky Association which supports the
5 proposals contained in Supplement No. 86?
6 A. Yes.
7 MR. McMAHON: May I approach the
8 witness, Your Honor?
9 MR. AMATO: Yes, sir.
10 MR. McMAHON: I'm not sure how you want
11 me to do this, Your Honor, but what I propose to do to move
12 things along is to have Mr. Tolson identify each of the
13 documents and explain their significance, if that's
14 acceptable.
15 MR. AMATO: I think that would be a
16 good idea.
17 MR. McMAHON: Would you like me to
18 display them to counsel first, or how would you like for me
19 to proceed?
20 MR. AMATO: I think you probably need
21 to--do you have copies of those?
22 MS. FUGAZZI: Yes, sir, I have copies.
23 MR. AMATO: You can identify the ones
24 you're talking about and she can look at them as you go.
25 Q. Mr. Tolson, I show you what has been

1 marked as Exhibit AX1. And, by the way, AX is what we are
2 using. It stands for Association Exhibit 1. I show you what
3 has been marked as Exhibit AX1 and ask if you can tell me
4 what it is?

5 (EXHIBIT AX1)

6 A. This is a letter of justification
7 directed to the Kentucky Transportation Cabinet.

8 Q. And did that accompany Supplement No.
9 86, the proposed Supplement No. 86 at the time it was
10 submitted to the Cabinet?

11 A. Yes.

12 Q. And when is it dated?

13 A. December 28, 2004.

14 Q. And was that the date of submission of
15 Supplement No. 86?

16 A. Yes.

17 Q. And is that the so-called issue date of
18 Supplement No. 86?

19 A. Yes.

20 Q. I'll show you what has been marked as
21 Exhibit AX2 and ask if you can identify it?

22 (EXHIBIT AX2)

23 A. Yes. This is a Special Supplement No.
24 86 to KYDVR #5.

25 Q. And is this the supplement to Tariff

1 No. 5 which is the subject of today's proceeding?

2 A. Yes.

3 Q. I will show you what has been marked as
4 Exhibit AX3 and ask if you can tell me what it is?

5 (EXHIBIT AX3)

6 A. This is a memorandum from Vincent
7 Fister, Incorporated concerning the cost of corrugated box
8 prices.

9 Q. And can you tell me what it shows?

10 A. It shows that, according to documents
11 which were presented with this memorandum from Victory
12 Packaging, that we have experienced a 14% increase in the
13 cost of packing material used in the process of preparation
14 of local and intrastate shipments in the last year.

15 Q. And when you say we, do you mean the
16 Fister Company?

17 A. Yes.

18 Q. I show you what has been marked as
19 Exhibit AX4 and ask if you can tell me what it is?

20 (EXHIBIT AX4)

21 A. This is an invoice from Victory
22 Packaging.

23 Q. And what does it show?

24 A. It shows the order and the price per
25 unit of boxes that Vincent Fister, Incorporated bought from

1 them in March of 2004.

2 Q. And what is Victory Packaging?

3 A. It's a corrugated distributor in
4 Louisville, Kentucky whom we buy our boxes from.

5 Q. And for what purpose do you buy boxes?

6 A. The boxes bought from Victory Packaging
7 are used in the preparation of shipments for local and
8 intrastate.

9 Q. Household goods shipments?

10 A. Yes.

11 Q. I will show you what has been marked as
12 Exhibit AX5 and ask if you can tell me what it is?

13 (EXHIBIT AX5)

14 A. This is an invoice from Victory
15 Packaging.

16 Q. What does it show?

17 A. It shows an order placed on December
18 14, 2004, the number of boxes and the unit price of each of
19 the boxes.

20 Q. I will show you what has been marked as
21 Exhibit AX6 and ask if you can tell me what it is.

22 (EXHIBIT AX6)

23 A. This is a letter from Victory Packaging
24 dated July 7, 2004.

25 Q. To whom?

1 A. To it states Our Valued Customers.

2 Q. And what does it show?

3 A. It shows justification for a rate
4 increase that they have notified their customers of.
5 Effective August 15, 2004, they announce an 8% increase on
6 all corrugated products due to an increase in the cost of
7 Kraft linerboard and chemical medium.

8 Q. I will show you what has been marked as
9 Exhibit AX7 and ask if you can tell me what it is?

10 (EXHIBIT AX7)

11 A. This is a copy of a web page from the
12 Department of Energy.

13 Q. And what does it show?

14 A. It shows gasoline and diesel fuel
15 update as of 12/13/2004. It shows the cost of fuel effective
16 on that date nationwide. Specifically in our area which is
17 called Central Atlantic, it shows the price of fuel that day
18 of 192.3 cents per gallon which, from a year ago, is up 38.1
19 cents per gallon of gasoline. Diesel fuel, 218.4, up 58.2
20 cents per gallon.

21 Q. Is this a notice published by the
22 United States Department of Energy?

23 A. Yes.

24 MR. AMATO: What was the date of that
25 fuel price?

1 MR. McMAHON: Could you answer the
2 Judge's question?

3 A. December 13, 2004.

4 Q. I will show you what has been marked as
5 Exhibit AX8 and ask if you can tell me what that is?

6 (EXHIBIT AX8)

7 A. This is a copy of a web page from the
8 American Moving and Storage Association.

9 Q. What is the American Moving and Storage
10 Association, may I ask?

11 A. It's an association located near
12 Washington, D.C. which represents moving and storage
13 companies across the United States in regard to information
14 relating to the household goods moving industry.

15 Q. Does it have, to your knowledge, any
16 affiliation with what's known as the Household Goods Carriers
17 Bureau?

18 A. I'm not sure of the exact relationship.

19 Q. Can you tell me who publishes the
20 interstate household goods tariff as the largest publishing
21 agent for the household goods moving and storage industry?

22 A. That's the Household Goods Tariff
23 Bureau.

24 Q. The Household Goods Carriers Bureau?

25 A. Yes.

1 Q. And is the Household Goods Carriers
2 Bureau affiliated with the American Moving and Storage
3 Association?

4 A. No, sir, not that I know of.

5 Q. Can you tell me what Exhibit AX8 shows?

6 A. This shows the current fuel price
7 surcharge effective--the date of this is 12/14/2004, and it
8 shows the history of the fuel surcharge dating back from May
9 6 of 2002 where the DOE reported price for fuel was 130.5
10 cents per gallon, to the December 6, 2004 level of 206.9
11 cents per gallon.

12 MR. AMATO: Who was that document
13 obtained from?

14 A. The American Moving and Storage
15 Association.

16 MR. AMATO: Thank you.

17 Q. Are you familiar with a document known
18 as Tariff 400-N?

19 A. Yes.

20 Q. Can you tell me what that is?

21 A. Tariff 400-N is the interstate
22 household goods tariff.

23 Q. Interstate?

24 A. Yes.

25 Q. And can you tell me by whom is that

1 published?

2 A. By the Surface Transportation Board, I
3 believe the Household Goods Carriers Association by approval
4 from the United States Surface Transportation Board.

5 Q. I want to back up for a second.
6 There's a complex sentence in your answer. You testified
7 earlier that the Household Goods Carriers Bureau publishes
8 the interstate tariff. Is that Tariff 400-N?

9 A. Yes.

10 Q. So, the Household Goods Carriers Bureau
11 publishes Tariff 400-N?

12 A. Yes.

13 Q. And Exhibit AX8 is published by the
14 American Moving and Storage Association, is that right?

15 A. Yes, that's from their website.

16 Q. I want to draw your attention to the
17 left-hand column of this page. See if you can tell me what
18 that says.

19 A. It says Tariff 400-N, Version 4.6.

20 Q. Does that refresh your recollection as
21 to whether the Household Goods Carriers Bureau is affiliated
22 with the American Moving and Storage Association?

23 A. No.

24 Q. I show you what has been marked as
25 Exhibit AX9 and ask if you can tell me what it is, sir?

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(EXHIBIT AX9)

A. This is from Victory Packaging faxed to my office March 31st regarding the pulp and paper pricewatch linerboard prices.

Q. What does it show, if you can tell us?

A. It shows a history of the pulp and paper prices from 1990 to 2004. And, in particular 2004, from January, the price per ton was \$405. In September, it was \$500.

Q. So, this chart shows prices per ton? Is that what the numbers indicate on that chart? Is that right?

A. That's right.

Q. I show you what has been marked as Exhibit AX10 and ask if you can tell me what that is?

(EXHIBIT AX10)

A. This is a memorandum from my company showing insurance premiums or regarding insurance premiums for property and casualty coverage.

Q. And what does it show?

A. It shows that Vincent Fister, Incorporated anticipates a 6 to 9% increase in property and casualty policies. This increase for equipment assigned for the purposes of local and intrastate shipping and warehouse would mean an increase of \$3,500 to \$5,300 annually.

1 Q. I show you what has been marked as
2 Exhibit AX11 and ask if you can tell me what it is?

3 (EXHIBIT AX11)

4 A. This is a March 30, 2005 letter from
5 AEGIS Insurance Services.

6 Q. Can you tell me what it shows?

7 A. This shows that the average property
8 and casualty rate increases have ranged from 6 to 9% over the
9 last twelve months. The cost of medical care for injured
10 employees, the cost of repairs to damaged vehicles, the cost
11 of repairs to damaged furniture, and the cost of medical
12 expenses related to automobile accidents have all increased.

13 Q. I will show you what has been marked as
14 Exhibit AX12 and ask if you can tell me what it is?

15 (EXHIBIT AX12)

16 A. This is a memorandum from my company
17 showing the cost of new freightliner tractors.

18 Q. And what does it show?

19 A. It shows the cost of a 2003 Model CL-20
20 that I paid \$89,969 for. In 2004, the same model comparably
21 equipped was \$95,167, an increase of \$5,198. And in 2005,
22 the same Model CL-20, I paid \$98,885, an increase of \$3,717
23 from the previous year.

24 Q. I'm going to show you at the same
25 time -- it may generate an objection, it may not, but maybe

1 to save time -- I'm going to show you Exhibits AX13, AX14 and
2 AX15 and I'm going to ask if you can tell me what they are
3 and what they show?

4 (EXHIBITS AX13, AX14 AND AX15)

5 MR. AMATO: Any objection, Ms. Fugazzi?

6 MS. FUGAZZI: No, I have no objection.

7 A. These three documents are the actual
8 invoices from Freightliner of Knoxville that verify the
9 prices that I mentioned earlier.

10 Q. So, in effect, these are the backup for
11 AX12, is that right?

12 A. That's right.

13 Q. I show you what has been marked as
14 Exhibit AX16 and ask if you can tell me what it is?

15 (EXHIBIT AX16)

16 A. This is a memorandum from my company
17 showing the fuel cost per gallon for Vincent Fister,
18 Incorporated since June 15th of '04.

19 Q. I'm going to show you now -- I have
20 just handed the court reporter AX16. She did not have a copy
21 of it. I need to show it to counsel, if I may. I'm sorry,
22 what does that show?

23 A. This shows the cost of fuel that
24 Vincent Fister, Incorporated has paid for diesel and unleaded
25 gasoline from July of '04 through February of '05, and that

1 shows an increase in diesel fuel from \$1.71 per gallon in
2 July of '04 to \$2.02 a gallon in February of '05.

3 Q. I hold in my hand ten pages which
4 contain photocopies of what purport to be receipts of some
5 type with generally four items photocopied onto each page,
6 and they have been numbered as exhibits ranging from--each
7 receipt numbered as an exhibit ranging from A17-1 through and
8 including A17-34, and I'm going to ask if you can, as a
9 group, identify Exhibits A17-1 through and including A17-34?
10 And I am at the same time going to ask if you can tell me
11 what their relationship is to AX16, recognizing the
12 possibility of an objection from counsel, but perhaps it will
13 move things along. And I'm handing you Exhibit AX16 at the
14 same time, Mr. Tolson.

15 (EXHIBIT NO. AX17-1 THRU 34)

16 A. These documents are photocopies of the
17 actual fuel receipts that our drivers submitted showing the
18 place where he bought the fuel, the date that he bought it
19 and the cost per gallon.

20 MR. McMAHON: May I have 16 and 17
21 back, please.

22 MR. AMATO: Excuse me. Those receipts
23 are really backups of your AX16?

24 MR. McMAHON: Yes, Your Honor.

25 A. Yes.

1 Q. I will show you what has been marked as
2 Exhibit AX18 and ask if you can tell me what that is?

3 (EXHIBIT AX18)

4 A. This is a photocopy of two pages from
5 AMSA Today showing--one of the articles show the March fuel
6 price from the American Moving and Storage Association.

7 Q. What does it show?

8 A. It states that the Department of
9 Energy's diesel price reported by AMSA on Monday, February
10 28th was 2.118 per gallon, up 7% from the previous month's
11 price of 1.983.

12 Q. What does 2.118 mean?

13 A. Two dollars and eleven point eight
14 cents per gallon.

15 Q. And AMSA means what?

16 A. American Moving and Storage
17 Association.

18 Q. I will show you what has been marked as
19 Exhibit AX19 and ask if you can tell me what it is?

20 (EXHIBIT AX19)

21 A. This is a copy of a website from the
22 Kaiser Family Foundation.

23 Q. What does it show?

24 A. It shows a survey of private health
25 insurance where premiums rose 11.2% in 2004.

1 Q. I show you what has been marked as
2 Exhibit AX20 and ask if you can tell me what it is?

3 (EXHIBIT AX20)

4 A. This is a copy of the March 18th AMSA
5 Today website page.

6 MR. AMATO: 3/18/05?

7 A. '05, yes.

8 Q. And what does it show, sir?

9 A. It shows that fuel prices continue to
10 escalate. It says the DOE's diesel price reported on Monday,
11 March 14th was \$2.194 per gallon, up almost three cents from
12 the last week. And it also shows the updated gasoline and
13 diesel fuel update, again, showing the price of fuel as of
14 March 18, 2005--actually, March 28th, I'm sorry, 2005,
15 showing that the Central Atlantic area, again, our area, for
16 diesel fuel was at \$2.36 a gallon, up 63.1 cents per gallon
17 from a year ago.

18 Q. Mr. Tolson, did there come a time when
19 you undertook a study or examination of household goods
20 transportation rates of an intrastate nature from states
21 adjoining the Commonwealth of Kentucky as compared with such
22 rates as they existed in Tariff #5?

23 A. Yes.

24 Q. Was this sometime during 2003?

25 A. Yes.

1 Q. Is this something that you did in
2 connection with another litigation matter?

3 A. Yes.

4 MR. McMAHON: Could we go off the
5 record for a moment, Your Honor?

6 MR. AMATO: Yes.

7 (OFF THE RECORD)

8 MR. AMATO: Go back on the record. Mr.
9 McMahan, you may proceed.

10 MR. McMAHON: Ms. Pelosi, could I
11 bother you for the last question.

12 (PREVIOUS QUESTION AND ANSWER PLAYED BACK)

13 Q. Mr. Tolson, could you describe for us
14 the findings of your study in this matter?

15 A. Yes. In compiling the numbers for this
16 survey, I called several movers in each of the bordering
17 states on November 17, 2003 and asked them---

18 Q. Your findings will be sufficient.

19 MR. AMATO: I'll tell you what. I'd
20 like to hear what he asked them, if you don't mind.

21 MR. McMAHON: All right.

22 A. And asked them what their rates would
23 be for intrastate shipping, those moves which are defined as
24 being more than 25 miles, local moving and their packing
25 service on a similar move or an exact move situation,

1 intrastate being 6,000 pounds moving 70 miles, local moving,
2 what their rate per hour was and then what their cost for
3 packing material and cost of labor was.

4 I did this first in Lexington,
5 Kentucky; called movers in Knoxville, Tennessee;
6 Indianapolis, Indiana; Columbus, Ohio; and Charleston, West
7 Virginia.

8 And the result on average of all the
9 states as compared to the Kentucky services for those same
10 types of moves was over 20% more in the bordering states on
11 average collectively than what KYDVR #5 rates would apply for
12 the same type services.

13 Q. What sort of shipment did you use as a
14 guide to perform this examination?

15 A. For the intrastate moves, I gave them
16 an example of 6,000 pounds moving 70 miles.

17 Q. And what were the rates that you found
18 per 100 pounds in each of the different states?

19 A. In Kentucky, the rate per 100 pounds,
20 the average rate in Lexington was \$16.55 per 100 pounds. In
21 Knoxville, Tennessee, it's \$22.11 per 100 pounds. In
22 Indianapolis, the average rate per 100 weight was \$32.95. In
23 Columbus, Ohio, it was \$23.90 per 100 pounds; and in
24 Charleston, West Virginia, \$21.23 per 100.

25 Q. Did you compute an average per 100

1 pounds based on those numbers?

2 A. Yes. The average was \$23.35 per 100
3 pounds.

4 Q. And did you also conduct an examination
5 of the rates that would apply for a local move?

6 A. Yes.

7 Q. What was your understanding, by the
8 way, of the term local moving for this purpose?

9 A. Moves performed with an origin and
10 destination within 25 miles of one another.

11 Q. Using what sort of labor and equipment?

12 A. Using labor designated as local moving
13 crews and the equipment designated for local.

14 Q. And what would that normally be?

15 A. The rate?

16 Q. The crew and equipment? Would it be
17 two men and one van, for example?

18 A. Yes. I'm sorry. This would be for two
19 men and one van.

20 Q. And what were your findings?

21 A. My finding in Lexington, Kentucky, at
22 that time, the average rate per hour for two men and one van
23 was \$58 per hour; in Knoxville, Tennessee, \$70 per hour;
24 Indianapolis, Indiana, \$82.65 per hour; Columbus, Ohio, \$70
25 per hour; and West Virginia, in the City of Charleston, \$60

1 A. Yes.

2 Q. What was that?

3 A. Excluding Indiana's rate per hour,
4 those other four states which charge by the box, the average
5 cost to pack a dishpack was \$15.84.

6 Q. Mr. Tolson, I show you what has been
7 marked as Exhibit AX22 and ask if you can tell me what that
8 is?

9 (EXHIBIT AX22)

10 A. This is the November 17, 2003 letter
11 from myself as President of the Kentucky Household Goods
12 Carriers Association to Mr. James McMahon and Mr. Bud Mirus
13 regarding the five-state comparison for rates.

14 Q. Is this the study about which you have
15 been offering testimony and the questions that I have been
16 asking you about the rates in the neighboring states to
17 Kentucky?

18 A. It is.

19 Q. In your capacity as President of the
20 Kentucky Association, is it part of your responsibility to
21 have knowledge of tariff filings which have been made by the
22 Kentucky Association?

23 A. Yes.

24 Q. Are you aware of the most recent
25 occasion on which there has been an across-the-board increase

1 contained in a supplement to Tariff #5 that's been filed and
2 approved by KTC?

3 A. Yes.

4 Q. Can you tell me when that was?

5 A. April 1st, 2002.

6 Q. Mr. Tolson, referring to Exhibits AX1
7 through and including AX22, I would like to ask you, are
8 these documents which are maintained in the files of Vincent
9 Fister, Inc.?

10 A. Yes.

11 Q. And is it part of the business of
12 Vincent Fister, Inc. to maintain such files?

13 A. Yes.

14 Q. And have they been maintained in the
15 files of Vincent Fister, Inc. in the ordinary course of its
16 business?

17 A. Yes.

18 Q. With respect to Exhibits AX1 through
19 AX22, would it be fair to say that as of today, or as of
20 immediately prior to this hearing, all of these exhibits are
21 maintained in the files of the Kentucky Association?

22 A. Yes.

23 Q. And is it part of the business of the
24 Kentucky Association to maintain such documents in its files?

25 A. Yes.

1 Q. And have these files been and are they
2 maintained in the files of the Kentucky Association as part
3 of its business?

4 A. Yes.

5 MR. McMAHON: Your Honor, at this time,
6 I would respectfully request that Exhibits AX1 through and
7 including AX22 be received into evidence as part of the
8 record of this proceeding for all purposes.

9 MR. AMATO: At this time, I'm going to
10 delay the ruling on that. I think the Cabinet's attorney
11 wants to have a recess following your presentation to discuss
12 all of this paperwork she has received.

13 (OFF THE RECORD - RECESS)

14 MR. AMATO: We're back on the record.
15 Mr. McMahan, have you concluded your presentation?

16 MR. McMAHON: I have no further
17 questions at this time.

18 MR. AMATO: Thank you.

19 MS. FUGAZZI: And I have just a few
20 questions, Mr. Tolson.

21

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25

1 CROSS EXAMINATION BY MS. FUGAZZI:

2 Q. What is the current percent of the fuel
3 surcharges on interstate moves?

4 A. Twelve percent.

5 Q. And do you know what the current
6 percent of insurance surcharges on interstate moves are?

7 A. Four percent.

8 Q. Do you have a copy of the exhibits up
9 there?

10 A. Yes.

11 Q. If I could refer you to Exhibit No. 11.
12 This letter refers to some insurance increases that are to be
13 effective May 1 of this year. Have you received any billings
14 showing that this will be the anticipated increase---

15 A. No.

16 Q. ---that it will, indeed, be that
17 percent?

18 A. No. Our renewal date is May 15th, and
19 we're in the process of receiving bids at this time.

20 Q. And then if I could please refer you to
21 the pack of exhibits, 17 through 34, that show the fuel
22 receipts. In reviewing those, it appears that a lot of these
23 or the majority of them are small purchases. Do these costs
24 represent the fueling cost for the entire fleet?

25 A. No.

1 Q. What type of unit and/or truck was this
2 fuel going into?

3 A. These were designated as local pieces
4 of equipment and those pieces range anywhere from half-ton
5 pickup trucks, passenger vehicles, non-CDL straight trucks,
6 22 feet and less. There's a range of size of vehicles there,
7 both gasoline and diesel.

8 Q. And I'm sorry, I don't know exactly the
9 exhibit that refers to the Victory Packaging, but this is
10 just a general question. Do you have knowledge of other
11 suppliers out there besides Victory Packaging?

12 A. Yes.

13 Q. Does Vincent Fister deal exclusively
14 with Victory Packaging?

15 A. No.

16 Q. Do you have knowledge if other
17 suppliers are showing a similar increase to that of Victory
18 Packaging?

19 A. No. I could only compare the cost of
20 paper and tape with the other suppliers. Those are the two
21 items that we buy of similar products that Victory Package
22 offers, but the corrugated material itself is bought
23 exclusively from Victory, but I do shop the wrapping paper
24 and tape from distributors down from Georgia to Ohio.

25 MS. FUGAZZI: I have no further

1 questions.

2 MR. McMAHON: Nothing, Your Honor.

3 MR. AMATO: All right. Let's go off
4 the record and talk about the possibility of whether either
5 party or both desire to file any briefs in this matter.

6 (OFF THE RECORD)

7 MR. AMATO: We've had an indication
8 that the parties desire to file a brief in the form of a
9 closing argument, and that will be done after the transcript
10 of this proceeding is filed with our office. And on that
11 date, I will send a letter to both parties announcing the
12 date that simultaneous briefs will be due.

13 Does anyone have anything further in
14 this matter?

15 MR. McMAHON: Yes, Your Honor. Could
16 we have a ruling on the application that the evidence be
17 received?

18 MR. AMATO: Yes. Do you have any
19 objection to the exhibits that were filed?

20 MS. FUGAZZI: No, sir, no objection.

21 MR. AMATO: All right. Exhibit 1 and
22 Exhibit 2 AX1 through AX22 will be received into evidence
23 without objection.

24 MR. McMAHON: Thank you, Your Honor.

25 MR. LIEBMAN: Could we have just one

1 minute, Your Honor.

2 MR. AMATO: Yes, sir.

3 (OFF THE RECORD)

4 MR. McMAHON: Your Honor, if I may. I
5 just wanted to note that apparently the Cabinet is not
6 putting on any witnesses, is that fair to assume, before the
7 hearing record is closed?

8 MR. AMATO: That's correct.

9 MR. McMAHON: Thank you, Your Honor.

10 MR. AMATO: If there's nothing further,
11 we will declare that this---

12 MS. FUGAZZI: Your Honor, if we could
13 just have a brief moment off the record.

14 MR. AMATO: Let's go off the record.

15 (OFF THE RECORD)

16 (Mr. William DeBord sworn at this time)

17 MR. AMATO: State your name and
18 address.

19 MR. DeBORD: It's William C. DeBord,
20 7160 Frankfort Road, Shelbyville, Kentucky.

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1 The witness, WILLIAM DeBORD, after having been
2 duly sworn, was examined and testified as follows:

3 DIRECT EXAMINATION BY MS. FUGAZZI:

4 Q. Mr. DeBord, what are your work duties
5 here at the Cabinet?

6 A. I am a permanent/part-time employee
7 with the Division of Motor Carriers and my primary duties are
8 reviewing household good matters of carriers, tariffs,
9 etcetera.

10 Q. And as part of those duties, did you
11 review Supplement No. 86?

12 A. Yes, ma'am.

13 Q. Now, the Cabinet requires annual
14 financial statements of each of the household good
15 certificate holders be put on file with the Cabinet. Have
16 you reviewed the financial statements of these household good
17 certificates?

18 A. Yes, ma'am.

19 Q. And you have determined that the
20 financial condition of the carriers is okay?

21 A. I have reviewed the financials. Some
22 are most certainly better than others, and some are not okay
23 most certainly. But the filings of them are acceptable, but
24 the financial conditions of each one of them may vary.

25 Q. And as part of this proceeding, have

1 you reviewed the exhibits, most of which were pretrial
2 exhibits, I think, except for one today? Have you had the
3 opportunity to review all of those?

4 A. Yes, ma'am, I have.

5 MS. FUGAZZI: I have no further
6 questions.

7 MR. AMATO: Mr. McMahon.
8

9 CROSS EXAMINATION BY MR. McMAHON:

10 Q. Mr. DeBord, do you recall in line with
11 counsel's question, do you recall ever having seen
12 Association Exhibit AX22 before?

13 A. Yes. This was shared with me at a
14 meeting with the Household Movers Association just as general
15 information that was past on to me. This was given to me
16 before this application was filed that I was aware of the
17 study that Mr. Tolson had done.

18 Q. May I ask, and I don't mean to be
19 unfair, but only if you know, may I ask, do you have any
20 knowledge which would generally support or disaffirm the
21 findings that are made in that study?

22 A. Well, I have or the Cabinet has on its
23 own performed a study of surrounding states for which it's
24 not totally compiled but just some general information. We
25 actually went in and took an actual move, all the packing,

1 the mileage, the weights, and we applied Kentucky rates to
2 that and also Indiana, West Virginia, I think all the
3 surrounding states except Tennessee. Although this
4 particular document does not show percentages, I would say
5 this is very comparable to the study that we have conducted.

6 Q. Is it your understanding based on your
7 examination that rates for comparable services for intrastate
8 transportation of household goods in the adjoining states are
9 higher than those in Kentucky?

10 A. I would say most certainly relating to
11 local moves or moves within 25 miles or less. They are
12 higher on what we refer to as inner-city moves, but there's
13 some variances most certainly.

14 Q. Referring to Supplement No. 86, you
15 testified that you examined Supplement No. 86. Is that
16 right?

17 A. Yes, I have.

18 Q. Is it fair to say you checked it for
19 mathematical accuracy?

20 A. I did not check it for mathematical
21 accuracy.

22 Q. Is that something that you would tend
23 to do as part of the review process?

24 A. Usually those typographical errors will
25 show up when the carriers start using those tables. If it's

1 an error, they will--once the rate schedule goes into effect
2 and the movers start using them, then, historically, some of
3 those have surfaced. But I have reviewed the numbers in the
4 past and have found them to be accurate.

5 Q. So, it is fair to say that you have
6 reviewed supplement--in fact, you reviewed Supplement No. 86
7 for mathematical accuracy?

8 A. Yes.

9 MR. McMAHON: I have no further
10 questions at this time. Thank you, sir.

11 MR. AMATO: Do you have any further
12 questions?

13 MS. FUGAZZI: No, sir.

14 MR. AMATO: I have a question.
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1 EXAMINATION BY MR. AMATO:

2 Q. Do you know with respect to AX22, the
3 survey that Mr. Tolson sponsored, and the survey that you,
4 the Cabinet, produced, whether or not the regulation of
5 household goods movers is the same or similar to that
6 regulation in Kentucky? Do you know whether they are all
7 similar or some similar or some of them not regulated?

8 A. I think West Virginia is very similar
9 to Kentucky. Ohio -- but, again, I'm speaking from memory,
10 Your Honor -- but I think Ohio exempts local moves. Ohio, I
11 think--let me retract that. Some states do not regulate less
12 than 25-mile movements. I just don't have that information
13 before me, but I could supply that, if you would like.

14 MR. AMATO: Well, that's what I was
15 going to suggest, that in your closing argument, I think it's
16 kind of pertinent, if we've got a state or some states or
17 we're the only state that does it the way we do it, if you
18 would treat that, both counsel, treat that question in your
19 closing argument. I think we need to have that into evidence
20 if we can get it.

21 MR. McMAHON: We have no objection to
22 anything the Cabinet wants to supplement the record with.

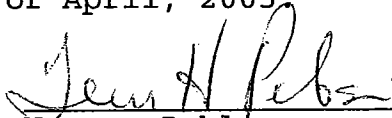
23 MR. AMATO: You may be excused. Unless
24 there's anything further, we will adjourn this hearing.

25 (HEARING ADJOURNED)

STATE OF KENTUCKY
COUNTY OF FRANKLIN

I, Terri H. Pelosi, a notary public in and for the state and county aforesaid, do hereby certify that the foregoing pages are a true, correct and complete transcript of the proceeding taken down by me in the above-styled matter taken at the time and place set out in the caption hereof; that the witnesses were duly sworn before giving their testimony; that said proceedings were taken down by me in shorthand and afterwards transcribed by me; and that the appearances were as set out in the caption hereof.

Given under my hand as notary public aforesaid, this the 19th day of April, 2005.



Notary Public
State of Kentucky at Large

My commission expires February 10, 2009.



KENTUCKY HOUSEHOLD GOODS CARRIERS ASSOCIATION, INC.

December 28, 2004

Mr. William Debord
Kentucky Transportation Cabinet
Division of Motor Carriers
200 Mero Street
Frankfort, KY 40601

RE: Special Supplement No. 86 of KYDVR #5

Dear Mr. Debord:

The Kentucky Household Goods Carriers Association, Inc. hereby submit for your consideration the attached Special Supplement No. 86. To summarize, this supplement contain the following request:

1. Delete Item 185, Fuel Surcharge
2. Delete Item 188, Insurance Related Revenue surcharge
3. Roll-in above surcharges (6% fuel plus 4% I.R.R.) into the rates contained in Section II and VI for a net 10% increase. These surcharges will no longer apply to local moves. We will allow our members to adjust their local rate schedules to offset this charge, if they so choose.
4. Request an additional 1% increase in Sections II and VI to offset the increase in the fuel costs since the June 15, 2004 approval of 6%. I have included a copy of the December 14, 2004 U.S. Department of Energy Gasoline and Diesel Fuel Update which reflects the national U.S. average price of diesel fuel reported by this federal agency.

DOE Survey Date

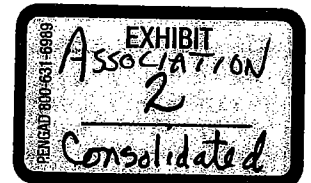
06-04-04
12-06-04

DOE Reported Price

173.4 cents per gallon
206.9 cents per gallon

We feel that the 33.5 cents per gallon increase in diesel fuel, which has taken place since the 6/15/04 fuel surcharge of 6% was approved, is ample justification for the requested 1% increase for transportation rates currently shown in Sections II and VI.

The deletion and subsequent roll-in of Items 185 and 188 will allow for a more simplified method of apply charges for intra-state moving services. This also eliminates the "temporary surcharges" from the tariff. This also provides a benefit to the consumer as well as to the KTC being able to efficiently ensure tariff compliance.

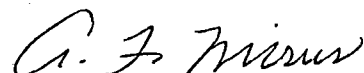


AX 1

This letter of justification, along with required copies of Supplement #86, is submitted to the Division of Motor Carriers, Kentucky Transportation Cabinet, Frankfort, Kentucky for review and consideration for approval.

We appreciate your interest and consideration of these requests and await your response.

Sincerely,



A. F. Mirus, Chairman
Tariff Committee - KHGCA

Encl: 3 Copies of #86
Copy of U.S. Dept. Energy update

CC: Dennis Tolson
Bill Lally

KENTUCKY HOUSEHOLD GOODS CARRIERS ASSOCIATION, INC.

P. O. Box 22204
Louisville, KY 40202-0204
(502)429-4957
FAX (502)425-5799

INSTRUCTION SHEET

SPECIAL SUPPLEMENT #86

TARIFF KYDVR #5

ISSUE DATE: December 28, 2004 EFFECTIVE DATE: January 28, 2005

REMOVE OLD PAGE	INSERT NEW PAGE	REASON
13 th Rev. Page 3	14 th Rev. Page 3	<u>Delete</u> references to: Commercial Moving – 187 Fuel Surcharge – 185 Insurance Surcharge – 188
9 th Rev. Page 55-A	10 th Rev. Page 55-A (Blank)	<u>Delete</u> Provisions for Fuel Surcharge, Item 185.
8 th Rev. Page 55-B	9 th Rev. Page 55-B	<u>Delete</u> Provisions for Fuel Surcharge, Item 185.
1 st Rev. Page 57	2 nd Rev. Page 57 (Blank)	<u>Delete</u> Provisions for Insurance Surcharge, Item 188.
Original Page 57-A	1 st Rev. Page 57-A (Blank)	<u>Delete</u> Provisions for Insurance Surcharge, Item 188.
10 th Rev. Pages 60, 61, 62, 63, 64, 64-A, 64-B	11 th Rev. Pages 60, 61, 62, 63, 64, 64-A, 64-B	11% Increase in Section II, Intrastate Rates.
7 th Rev. Pages 74-B, 74-C, 74-D, 74-E, 74-F, 74-G, 74-H	8 th Rev. Pages 74-B, 74-C, 74-D, 74-E, 74-F, 74-G, 74-H	11% Increase in Section VI, Peak Intrastate Rates

-END-

AX 2.

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Labor Charges	I		120	45
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-CONTINUED-

Reserved for Future Use

Reserved for Future Use

SECTION I - continued

Reserved for Future Use

SECTION I - continued

Reserved for Future Use

SECTION II-A

Rates are in dollars and cents per 100 pounds applied to the actual weight (subject to Rules 3, 14 and 21), and include loading and unloading, and the actual movement or transportation of property from origin to destination, but do not include Additional Services and Charges shown in Section I. (Break Point indicates weight at which a lower charge develops by use of lowest weight and applicable rate in next highest weight bracket.)

MILES	500 TO 999	BREAK POINT	1,000 TO 1,999	BREAK POINT	2,000 TO 3,999	BREAK POINT	4,000 TO 7,999	BREAK POINT	8,000 TO 11,999	BREAK POINT	12,000 & OVER
1-15	22.60	673	15.20	1,698	12.90	3,504	11.30	6,443	9.10	11,473	8.70
16-20	23.40	676	15.80	1,659	13.10	3,558	11.65	6,318	9.20	11,674	8.95
21-30	25.20	655	16.50	1,643	13.55	3,484	11.80	6,712	9.90	11,031	9.10
31-40	25.60	672	17.20	1,663	14.30	3,357	12.00	6,667	10.00	11,040	9.20
41-50	26.55	673	17.85	1,642	14.65	3,304	12.10	6,645	10.05	11,284	9.45
51-60	27.60	682	18.80	1,580	14.85	3,314	12.30	6,895	10.60	11,321	10.00
61-70	28.95	667	19.30	1,627	15.70	3,338	13.10	6,810	11.15	11,409	10.60
71-80	30.30	666	20.15	1,613	16.25	3,311	13.45	6,930	11.65	11,485	11.15
81-90	31.00	668	20.70	1,624	16.80	3,405	14.30	6,770	12.10	11,554	11.65
91-100	32.60	669	21.80	1,588	17.30	3,388	14.65	7,045	12.90	11,163	12.00
101-110	33.80	656	22.15	1,630	18.05	3,269	14.75	7,024	12.95	11,306	12.20
111-120	34.80	656	22.80	1,610	18.35	3,238	14.85	7,058	13.10	11,268	12.30
121-130	35.90	658	23.60	1,623	19.15	3,175	15.20	6,974	13.25	11,684	12.90
131-140	36.75	663	24.35	1,586	19.30	3,203	15.45	6,965	13.45	11,688	13.10
141-150	37.55	668	25.05	1,581	19.80	3,192	15.80	6,937	13.70	11,782	13.45
151-160	37.75	668	25.20	1,592	20.05	3,183	15.95	7,022	14.00	11,615	13.55
161-170	38.85	661	25.65	1,579	20.25	3,260	16.50	6,958	14.35	11,708	14.00
171-180	39.50	670	26.45	1,577	20.85	3,233	16.85	7,027	14.80	11,636	14.35
181-190	40.70	669	27.20	1,570	21.35	3,204	17.10	7,135	15.25	11,607	14.75
191-200	41.45	660	27.35	1,580	21.60	3,260	17.60	7,069	15.55	11,422	14.80
201-220	42.45	666	28.25	1,569	22.15	3,260	18.05	7,203	16.25	11,262	15.25
221-240	43.50	665	28.90	1,592	23.00	3,209	18.45	7,307	16.85	11,288	15.85
241-260	44.60	666	29.70	1,593	23.65	3,239	19.15	7,207	17.25	11,722	16.85
261-280	45.85	665	30.45	1,620	24.65	3,197	19.70	7,330	18.05	11,469	17.25
281-300	46.85	669	31.30	1,633	25.55	3,186	20.35	7,470	19.00	11,400	18.05
301-320	47.55	665	31.60	1,624	25.65	3,229	20.70	7,440	19.25	11,502	18.45
321-340	48.10	676	32.50	1,653	26.85	3,174	21.30	7,531	20.05	11,252	18.80
341-360	49.30	678	33.40	1,644	27.45	3,184	21.85	7,579	20.70	11,189	19.30
361-380	50.30	676	34.00	1,671	28.40	3,184	22.60	7,540	21.30	11,296	20.05
381-400	50.90	678	34.50	1,676	28.90	3,170	22.90	7,546	21.60	11,500	20.70
401-420	51.85	675	34.95	1,700	29.70	3,186	23.65	7,493	22.15	11,459	21.15
421-440	52.80	678	35.75	1,687	30.15	3,211	24.20	7,505	22.70	11,313	21.40
441-460	53.85	674	36.25	1,697	30.75	3,240	24.90	7,486	23.30	11,408	22.15
461-480	54.90	675	37.05	1,690	31.30	3,247	25.40	7,607	24.15	11,280	22.70
481-500	55.70	674	37.50	1,686	31.60	3,285	25.95	7,507	24.35	11,606	23.55
501-520	56.60	673	38.05	1,696	32.25	3,281	26.45	7,607	25.15	11,452	24.00
521-540	57.55	676	38.85	1,720	33.40	3,222	26.90	7,614	25.60	11,344	24.20
541-560	58.35	673	39.25	1,708	33.50	3,260	27.30	7,664	26.15	11,312	24.65
561-580	59.05	672	39.65	1,705	33.80	3,285	27.75	7,655	26.55	11,345	25.10
581-600	59.85	673	40.25	1,702	34.25	3,300	28.25	7,547	26.65	11,438	25.40

ISSUED 12/28/04

BY: KENTUCKY HOUSEHOLD GOODS CARRIERS ASSOCIATION, INC.

EFFECTIVE 1/28/05

SP-86

SECTION II-B

Rates are in dollars and cents per 100 pounds applied to the actual weight (subject to Rules 3, 14 and 21), and include loading and unloading, and the actual movement or transportation of property from origin to destination, but do not include Additional Services and Charges shown in Section I. (Break Point indicates weight at which a lower charge develops by use of lowest weight and applicable rate in next highest weight bracket.)

MILES	500 TO 999	BREAK POINT	1,000 TO 1,999	BREAK POINT	2,000 TO 3,999	BREAK POINT	4,000 TO 7,999	BREAK POINT	8,000 TO 11,999	BREAK POINT	12,000 & OVER
1-15	33.75	683	23.05	1,567	18.05	3,646	16.45	5,836	12.00	11,100	11.10
16-20	35.65	679	24.20	1,567	18.95	3,547	16.80	5,810	12.20	11,115	11.30
21-30	37.45	676	25.30	1,558	19.70	3,473	17.10	6,106	13.05	10,989	11.95
31-40	39.45	670	26.40	1,561	20.60	3,447	17.75	6,175	13.70	10,643	12.15
41-50	41.45	660	27.35	1,565	21.40	3,374	18.05	6,228	14.05	11,061	12.95
51-60	43.40	658	28.55	1,580	22.55	3,389	19.10	6,199	14.80	11,068	13.65
61-70	45.40	662	30.05	1,535	23.05	3,384	19.50	6,339	15.45	11,107	14.30
71-80	47.30	661	31.25	1,546	24.15	3,330	20.10	6,349	15.95	11,135	14.80
81-90	49.35	655	32.30	1,548	25.00	3,296	20.60	6,544	16.85	10,825	15.20
91-100	50.55	662	33.45	1,519	25.40	3,292	20.90	6,603	17.25	10,783	15.50
101-110	52.80	657	34.65	1,524	26.40	3,243	21.40	6,711	17.95	10,597	15.85
111-120	54.15	668	36.15	1,505	27.20	3,214	21.85	6,701	18.30	10,460	15.95
121-130	55.60	671	37.30	1,518	28.30	3,188	22.55	6,723	18.95	10,417	16.45
131-140	57.30	671	38.40	1,516	29.10	3,121	22.70	6,802	19.30	10,570	17.00
141-150	58.70	672	39.40	1,508	29.70	3,105	23.05	6,838	19.70	10,721	17.60
151-160	59.20	672	39.75	1,507	29.95	3,146	23.55	6,812	20.05	10,624	17.75
161-170	60.70	671	40.70	1,514	30.80	3,124	24.05	6,786	20.40	10,618	18.05
171-180	62.60	668	41.80	1,484	31.00	3,149	24.40	6,837	20.85	10,821	18.80
181-190	64.10	670	42.90	1,476	31.65	3,179	25.15	6,808	21.40	10,767	19.20
191-200	65.30	670	43.70	1,472	32.15	3,161	25.40	6,882	21.85	10,875	19.80
201-220	67.15	666	44.70	1,488	33.25	3,158	26.25	6,888	22.60	10,939	20.60
221-240	69.05	665	45.85	1,484	34.00	3,165	26.90	6,915	23.25	11,046	21.40
241-260	70.65	670	47.30	1,495	35.35	3,107	27.45	6,922	23.75	11,116	22.00
261-280	72.35	668	48.30	1,497	36.15	3,132	28.30	6,969	24.65	11,149	22.90
281-300	74.65	662	49.40	1,500	37.05	3,126	28.95	6,964	25.20	11,310	23.75
301-320	75.30	670	50.40	1,481	37.30	3,153	29.40	7,062	25.95	11,261	24.35
321-340	76.00	676	51.35	1,492	38.30	3,144	30.10	7,030	26.45	11,501	25.35
341-360	77.85	676	52.55	1,494	39.25	3,150	30.90	7,056	27.25	11,516	26.15
361-380	79.55	676	53.70	1,503	40.35	3,133	31.60	7,064	27.90	11,549	26.85
381-400	80.75	680	54.90	1,485	40.75	3,176	32.35	7,098	28.70	11,478	27.45
401-420	82.15	682	56.00	1,477	41.35	3,231	33.40	7,174	29.95	11,500	28.70
421-440	84.20	681	57.30	1,468	42.05	3,211	33.75	7,242	30.55	11,470	29.20
441-460	85.30	680	58.00	1,469	42.60	3,226	34.35	7,279	31.25	11,578	30.15
461-480	87.50	675	59.00	1,465	43.20	3,241	35.00	7,292	31.90	11,700	31.10
481-500	89.35	671	59.95	1,470	44.05	3,260	35.90	7,299	32.75	11,634	31.75
501-520	90.70	673	61.00	1,468	44.75	3,299	36.90	7,263	33.50	11,517	32.15
521-540	92.00	671	61.65	1,490	45.90	3,273	37.55	7,234	33.95	11,541	32.65
541-560	93.30	673	62.70	1,484	46.50	3,312	38.50	7,117	34.25	11,650	33.25
561-580	94.35	672	63.40	1,489	47.20	3,318	39.15	7,112	34.80	11,638	33.75
581-600	95.80	672	64.30	1,494	48.00	3,305	39.65	7,204	35.70	11,479	34.15

ISSUED 12/28/04

BY: KENTUCKY HOUSEHOLD GOODS CARRIERS ASSOCIATION, INC.

EFFECTIVE 1/28/05

SP-86

SECTION II-C

Rates are in dollars and cents per 100 pounds applied to the actual weight (subject to Rules 3, 14 and 21), and include loading and unloading, and the actual movement or transportation of property from origin to destination, but do not include Additional Services and Charges shown in Section I. (Break Point indicates weight at which a lower charge develops by use of lowest weight and applicable rate in next highest weight bracket.)

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1-15	37.20	682	25.35	1,563	19.80	3,637	18.00	5,823	13.10	11,084	12.10
16-20	39.15	680	26.60	1,549	20.60	3,583	18.45	5,876	13.55	10,893	12.30
21-30	41.25	676	27.85	1,566	21.80	3,487	19.00	6,043	14.35	10,955	13.10
31-40	43.45	667	28.95	1,565	22.65	3,418	19.35	6,285	15.20	10,658	13.50
41-50	45.70	660	30.15	1,569	23.65	3,349	19.80	6,263	15.50	10,878	14.05
51-60	47.75	659	31.45	1,568	24.65	3,384	20.85	6,274	16.35	10,973	14.95
61-70	49.75	659	32.75	1,549	25.35	3,377	21.40	6,356	17.00	11,083	15.70
71-80	51.95	662	34.35	1,546	26.55	3,323	22.05	6,404	17.65	11,117	16.35
81-90	54.15	659	35.65	1,532	27.30	3,319	22.65	6,517	18.45	10,797	16.60
91-100	55.60	664	36.90	1,532	28.25	3,264	23.05	6,647	19.15	10,685	17.05
101-110	57.95	657	38.05	1,520	28.90	3,274	23.65	6,631	19.60	10,776	17.60
111-120	59.75	666	39.75	1,507	29.95	3,213	24.05	6,703	20.15	10,512	17.65
121-130	61.25	667	40.80	1,525	31.10	3,171	24.65	6,719	20.70	10,435	18.00
131-140	62.85	672	42.20	1,529	32.25	3,114	25.10	6,789	21.30	10,423	18.50
141-150	64.70	671	43.40	1,496	32.45	3,125	25.35	6,880	21.80	10,597	19.25
151-160	65.10	673	43.75	1,495	32.70	3,138	25.65	6,862	22.00	10,555	19.35
161-170	66.70	671	44.75	1,518	33.95	3,117	26.45	6,836	22.60	10,647	20.05
171-180	68.90	666	45.85	1,488	34.10	3,156	26.90	6,841	23.00	10,722	20.55
181-190	70.60	667	47.05	1,484	34.90	3,164	27.60	6,856	23.65	10,605	20.90
191-200	71.85	669	48.00	1,473	35.35	3,197	28.25	6,839	24.15	10,858	21.85
201-220	73.70	669	49.30	1,473	36.30	3,163	28.70	6,969	25.00	10,872	22.65
221-240	76.05	664	50.45	1,481	37.35	3,192	29.80	6,819	25.40	11,150	23.60
241-260	77.70	669	51.95	1,492	38.75	3,128	30.30	6,905	26.15	11,106	24.20
261-280	79.60	669	53.20	1,495	39.75	3,120	31.00	7,020	27.20	11,118	25.20
281-300	81.95	662	54.20	1,502	40.70	3,136	31.90	6,960	27.75	11,352	26.25
301-320	82.70	663	54.80	1,490	40.80	3,182	32.45	7,039	28.55	11,286	26.85
321-340	83.55	677	56.50	1,491	42.10	3,136	33.00	7,019	28.95	11,648	28.10
341-360	85.60	675	57.70	1,493	43.05	3,160	34.00	7,071	30.05	11,461	28.70
361-380	87.30	677	59.05	1,501	44.30	3,143	34.80	7,069	30.75	11,591	29.70
381-400	88.90	679	60.35	1,487	44.85	3,184	35.70	7,093	31.65	11,489	30.30
401-420	90.70	679	61.55	1,481	45.55	3,228	36.75	7,119	32.70	11,615	31.65
421-440	92.75	679	62.90	1,466	46.10	3,228	37.20	7,226	33.60	11,536	32.30
441-460	93.90	682	64.00	1,466	46.90	3,212	37.65	7,299	34.35	11,634	33.30
461-480	96.20	674	64.80	1,468	47.55	3,252	38.65	7,276	35.15	11,659	34.15
481-500	98.35	673	66.10	1,465	48.40	3,261	39.45	7,341	36.20	11,586	34.95
501-520	99.75	673	67.10	1,473	49.40	3,284	40.55	7,300	37.00	11,465	35.35
521-540	101.25	672	67.95	1,488	50.55	3,280	41.45	7,200	37.30	11,631	36.15
541-560	102.45	675	69.10	1,487	51.35	3,292	42.25	7,111	37.55	11,617	36.35
561-580	103.75	672	69.70	1,490	51.90	3,318	43.05	7,118	38.30	11,656	37.20
581-600	105.40	671	70.70	1,496	52.85	3,297	43.55	7,211	39.25	11,481	37.55

ISSUED 12/28/04

BY: KENTUCKY HOUSEHOLD GOODS CARRIERS ASSOCIATION, INC.

EFFECTIVE 1/28/05

SP-86

SECTION II-D

Rates are in dollars and cents per 100 pounds applied to the actual weight (subject to Rules 3, 14 and 21), and include loading and unloading, and the actual movement or transportation of property from origin to destination, but do not include Additional Services and Charges shown in Section I. (Break Point indicates weight at which a lower charge develops by use of lowest weight and applicable rate in next highest weight bracket.)

MILES	500 TO 999	BREAK POINT	1,000 TO 1,999	BREAK POINT	2,000 TO 3,999	BREAK POINT	4,000 TO 7,999	BREAK POINT	8,000 TO 11,999	BREAK POINT	12,000 & OVER
1-15	40.00	684	27.35	1,565	21.40	3,645	19.50	5,765	14.05	11,189	13.10
16-20	42.25	679	28.65	1,564	22.40	3,581	20.05	5,846	14.65	11,059	13.50
21-30	44.45	678	30.10	1,555	23.40	3,488	20.40	6,079	15.50	10,878	14.05
31-40	46.95	667	31.30	1,556	24.35	3,434	20.90	6,259	16.35	10,753	14.65
41-50	49.35	661	32.60	1,559	25.40	3,371	21.40	6,206	16.60	11,025	15.25
51-60	51.40	661	33.95	1,570	26.65	3,393	22.60	6,248	17.65	11,049	16.25
61-70	53.85	663	35.70	1,533	27.35	3,401	23.25	6,297	18.30	11,148	17.00
71-80	56.30	662	37.25	1,539	28.65	3,351	24.00	6,384	19.15	11,061	17.65
81-90	58.60	656	38.40	1,547	29.70	3,280	24.35	6,604	20.10	10,747	18.00
91-100	60.05	661	39.65	1,534	30.40	3,297	25.05	6,579	20.60	10,690	18.35
101-110	62.65	659	41.25	1,516	31.25	3,252	25.40	6,693	21.25	10,730	19.00
111-120	64.50	666	42.95	1,505	32.30	3,214	25.95	6,721	21.80	10,542	19.15
121-130	66.25	670	44.35	1,516	33.60	3,173	26.65	6,725	22.40	10,447	19.50
131-140	67.90	671	45.50	1,530	34.80	3,110	27.05	6,773	22.90	10,559	20.15
141-150	69.80	672	46.85	1,501	35.15	3,113	27.35	6,845	23.40	10,616	20.70
151-160	70.15	675	47.30	1,502	35.50	3,139	27.85	6,794	23.65	10,605	20.90
161-170	72.05	672	48.40	1,509	36.50	3,129	28.55	6,796	24.25	10,664	21.55
171-180	74.45	665	49.45	1,493	36.90	3,155	29.10	6,873	25.00	10,608	22.10
181-190	76.15	669	50.90	1,476	37.55	3,191	29.95	6,785	25.40	10,725	22.70
191-200	77.70	668	51.90	1,465	38.00	3,200	30.40	6,869	26.10	10,851	23.60
201-220	79.75	668	53.20	1,482	39.40	3,158	31.10	6,907	26.85	10,883	24.35
221-240	82.05	664	54.45	1,486	40.45	3,175	32.10	6,842	27.45	11,104	25.40
241-260	83.80	672	56.30	1,493	42.00	3,110	32.65	6,935	28.30	11,131	26.25
261-280	85.85	670	57.50	1,494	42.95	3,120	33.50	6,974	29.20	11,179	27.20
281-300	88.70	662	58.65	1,503	44.05	3,120	34.35	6,999	30.05	11,342	28.40
301-320	89.35	661	59.00	1,504	44.35	3,157	35.00	7,040	30.80	11,280	28.95
321-340	90.10	676	60.90	1,491	45.40	3,146	35.70	7,015	31.30	11,579	30.20
341-360	92.45	677	62.50	1,487	46.45	3,144	36.50	7,080	32.30	11,555	31.10
361-380	94.35	679	64.00	1,494	47.80	3,139	37.50	7,104	33.30	11,496	31.90
381-400	96.05	677	65.00	1,491	48.45	3,183	38.55	7,087	34.15	11,473	32.65
401-420	97.85	680	66.45	1,484	49.30	3,218	39.65	7,163	35.50	11,544	34.15
421-440	100.10	679	67.95	1,462	49.65	3,223	40.00	7,250	36.25	11,554	34.90
441-460	101.30	682	69.05	1,466	50.60	3,218	40.70	7,313	37.20	11,549	35.80
461-480	103.75	675	70.00	1,466	51.30	3,260	41.80	7,264	37.95	11,716	37.05
481-500	106.35	670	71.20	1,468	52.25	3,262	42.60	7,324	39.00	11,585	37.65
501-520	107.55	673	72.35	1,475	53.35	3,281	43.75	7,278	39.80	11,458	38.00
521-540	109.20	673	73.45	1,486	54.55	3,278	44.70	7,222	40.35	11,554	38.85
541-560	110.80	674	74.65	1,486	55.45	3,297	45.70	7,116	40.65	11,646	39.45
561-580	112.10	672	75.30	1,488	56.00	3,318	46.45	7,105	41.25	11,637	40.00
581-600	114.00	670	76.35	1,501	57.30	3,285	47.05	7,193	42.30	11,532	40.65

ISSUED 12/28/04

BY: KENTUCKY HOUSEHOLD GOODS CARRIERS ASSOCIATION, INC.

EFFECTIVE 1/28/05

SP-86

SECTION II-E

Rates are in dollars and cents per 100 pounds applied to the actual weight (subject to Rules 3, 14 and 21), and include loading and unloading, and the actual movement or transportation of property from origin to destination, but do not include Additional Services and Charges shown in Section I. (Break Point indicates weight at which a lower charge develops by use of lowest weight and applicable rate in next highest weight bracket.)

MILES	500 TO 999	BREAK POINT	1,000 TO 1,999	BREAK POINT	2,000 TO 3,999	BREAK POINT	4,000 TO 7,999	BREAK POINT	8,000 TO 11,999	BREAK POINT	12,000 & OVER
1-15	44.25	683	30.20	1,563	23.60	3,628	21.40	5,795	15.50	11,110	14.35
16-20	46.45	681	31.60	1,545	24.40	3,607	22.00	5,837	16.05	11,066	14.80
21-30	48.95	680	33.25	1,543	25.65	3,517	22.55	6,049	17.05	10,910	15.50
31-40	51.75	664	34.35	1,564	26.85	3,434	23.05	6,230	17.95	10,730	16.05
41-50	54.15	662	35.80	1,579	28.25	3,342	23.60	6,221	18.35	10,856	16.60
51-60	56.55	661	37.35	1,567	29.25	3,406	24.90	6,217	19.35	11,070	17.85
61-70	59.25	663	39.25	1,539	30.20	3,365	25.40	6,347	20.15	11,018	18.50
71-80	61.70	661	40.75	1,551	31.60	3,342	26.40	6,319	20.85	11,137	19.35
81-90	64.50	655	42.20	1,541	32.50	3,305	26.85	6,570	22.05	10,776	19.80
91-100	66.15	658	43.50	1,538	33.45	3,271	27.35	6,640	22.70	10,705	20.25
101-110	68.95	659	45.40	1,509	34.25	3,300	28.25	6,599	23.30	10,713	20.80
111-120	70.80	669	47.30	1,508	35.65	3,204	28.55	6,740	24.05	10,404	20.85
121-130	72.95	669	48.75	1,520	37.05	3,158	29.25	6,674	24.40	10,525	21.40
131-140	74.70	669	49.95	1,534	38.30	3,123	29.90	6,743	25.20	10,524	22.10
141-150	76.75	672	51.50	1,501	38.65	3,126	30.20	6,795	25.65	10,667	22.80
151-160	77.55	670	51.95	1,496	38.85	3,167	30.75	6,804	26.15	10,578	23.05
161-170	79.55	671	53.30	1,515	40.35	3,103	31.30	6,812	26.65	10,650	23.65
171-180	81.85	665	54.40	1,491	40.55	3,172	32.15	6,794	27.30	10,682	24.30
181-190	83.80	669	56.00	1,475	41.30	3,172	32.75	6,901	28.25	10,662	25.10
191-200	85.30	672	57.30	1,466	42.00	3,186	33.45	6,841	28.60	10,889	25.95
201-220	87.75	667	58.50	1,479	43.25	3,159	34.15	6,958	29.70	10,849	26.85
221-240	90.25	665	59.95	1,482	44.40	3,185	35.35	6,858	30.30	11,189	28.25
241-260	92.20	670	61.70	1,495	46.10	3,124	36.00	6,889	31.00	11,110	28.70
261-280	94.40	668	63.05	1,501	47.30	3,121	36.90	6,992	32.25	11,145	29.95
281-300	97.45	663	64.60	1,499	48.40	3,120	37.75	6,994	33.00	11,310	31.10
301-320	98.35	660	64.90	1,503	48.75	3,164	38.55	7,046	33.95	11,276	31.90
321-340	99.10	678	67.10	1,483	49.75	3,156	39.25	7,002	34.35	11,634	33.30
341-360	101.75	675	68.65	1,491	51.15	3,156	40.35	7,069	35.65	11,496	34.15
361-380	103.75	677	70.15	1,504	52.75	3,128	41.25	7,050	36.35	11,604	35.15
381-400	105.45	680	71.70	1,489	53.35	3,172	42.30	7,102	37.55	11,505	36.00
401-420	107.50	681	73.15	1,480	54.10	3,217	43.50	7,145	38.85	11,599	37.55
421-440	110.30	678	74.75	1,471	54.95	3,222	44.25	7,223	39.95	11,535	38.40
441-460	111.65	682	76.05	1,463	55.60	3,220	44.75	7,276	40.70	11,632	39.45
461-480	114.15	676	77.10	1,465	56.45	3,242	45.75	7,319	41.85	11,656	40.65
481-500	116.90	671	78.35	1,470	57.55	3,260	46.90	7,327	42.95	11,637	41.65
501-520	118.40	673	79.65	1,473	58.65	3,291	48.25	7,279	43.90	11,481	42.00
521-540	120.20	672	80.70	1,489	60.05	3,288	49.35	7,190	44.35	11,608	42.90
541-560	121.70	675	82.05	1,487	61.00	3,299	50.30	7,094	44.60	11,678	43.40
561-580	123.45	671	82.75	1,491	61.65	3,319	51.15	7,101	45.40	11,697	44.25
581-600	125.30	672	84.10	1,495	62.85	3,300	51.85	7,175	46.50	11,510	44.60

ISSUED 12/28/04

BY: KENTUCKY HOUSEHOLD GOODS CARRIERS ASSOCIATION, INC.

EFFECTIVE 1/28/05

SP-86

SECTION II-F

Rates are in dollars and cents per 100 pounds applied to the actual weight (subject to Rules 3, 14 and 21), and include loading and unloading, and the actual movement or transportation of property from origin to destination, but do not include Additional Services and Charges shown in Section I. (Break Point indicates weight at which a lower charge develops by use of lowest weight and applicable rate in next highest weight bracket.)

MILES	500 TO 999	BREAK POINT	1,000 TO 1,999	BREAK POINT	2,000 TO 3,999	BREAK POINT	4,000 TO 7,999	BREAK POINT	8,000 TO 11,999	BREAK POINT	12,000 & OVER
1-15	46.35	686	31.75	1,569	24.90	3,631	22.60	5,788	16.35	11,083	15.10
16-20	48.90	680	33.25	1,543	25.65	3,587	23.00	5,861	16.85	11,039	15.50
21-30	51.35	680	34.90	1,551	27.05	3,490	23.60	6,085	17.95	10,931	16.35
31-40	54.20	667	36.15	1,566	28.30	3,428	24.25	6,252	18.95	10,671	16.85
41-50	56.90	660	37.55	1,569	29.45	3,383	24.90	6,185	19.25	10,941	17.55
51-60	59.35	662	39.25	1,567	30.75	3,396	26.10	6,253	20.40	11,059	18.80
61-70	62.35	662	41.25	1,540	31.75	3,371	26.75	6,326	21.15	10,979	19.35
71-80	64.80	663	42.90	1,551	33.25	3,321	27.60	6,377	22.00	11,128	20.40
81-90	67.70	656	44.35	1,541	34.15	3,315	28.30	6,516	23.05	10,829	20.80
91-100	69.45	659	45.70	1,539	35.15	3,267	28.70	6,690	24.00	10,625	21.25
101-110	72.45	658	47.65	1,507	35.90	3,282	29.45	6,615	24.35	10,768	21.85
111-120	74.55	666	49.60	1,507	37.35	3,219	30.05	6,696	25.15	10,498	22.00
121-130	76.55	669	51.15	1,520	38.85	3,167	30.75	6,674	25.65	10,574	22.60
131-140	78.40	671	52.55	1,532	40.25	3,111	31.30	6,786	26.55	10,509	23.25
141-150	80.55	672	54.10	1,500	40.55	3,132	31.75	6,816	27.05	10,670	24.05
151-160	81.25	672	54.55	1,495	40.75	3,171	32.30	6,774	27.35	10,640	24.25
161-170	83.55	669	55.85	1,513	42.25	3,101	32.75	6,865	28.10	10,677	25.00
171-180	85.95	666	57.20	1,490	42.60	3,170	33.75	6,792	28.65	10,702	25.55
181-190	87.95	670	58.90	1,474	43.40	3,171	34.40	6,849	29.45	10,758	26.40
191-200	89.70	670	60.05	1,468	44.05	3,192	35.15	6,851	30.10	10,864	27.25
201-220	92.15	667	61.40	1,479	45.40	3,155	35.80	6,950	31.10	10,920	28.30
221-240	94.85	664	62.95	1,478	46.50	3,188	37.05	6,888	31.90	11,079	29.45
241-260	96.90	669	64.80	1,494	48.40	3,120	37.75	6,888	32.50	11,151	30.20
261-280	99.10	669	66.25	1,498	49.60	3,121	38.70	6,988	33.80	11,166	31.45
281-300	102.35	662	67.75	1,502	50.85	3,119	39.65	6,992	34.65	11,291	32.60
301-320	103.15	662	68.20	1,500	51.15	3,168	40.50	7,042	35.65	11,260	33.45
321-340	104.10	678	70.55	1,485	52.35	3,152	41.25	7,011	36.15	11,602	34.95
341-360	106.80	675	72.05	1,490	53.65	3,151	42.25	7,073	37.35	11,503	35.80
361-380	108.95	676	73.65	1,505	55.40	3,123	43.25	7,085	38.30	11,593	37.00
381-400	110.80	679	75.15	1,488	55.90	3,181	44.45	7,101	39.45	11,483	37.75
401-420	112.80	681	76.80	1,480	56.80	3,219	45.70	7,134	40.75	11,618	39.45
421-440	115.65	679	78.50	1,469	57.65	3,216	46.35	7,250	42.00	11,543	40.40
441-460	117.20	681	79.75	1,466	58.45	3,220	47.05	7,278	42.80	11,622	41.45
461-480	119.95	677	81.10	1,460	59.20	3,244	48.00	7,317	43.90	11,686	42.75
481-500	122.65	670	82.15	1,473	60.50	3,260	49.30	7,335	45.20	11,602	43.70
501-520	124.25	674	83.65	1,472	61.55	3,289	50.60	7,289	46.10	11,467	44.05
521-540	126.20	673	84.85	1,487	63.05	3,290	51.85	7,167	46.45	11,652	45.10
541-560	127.75	675	86.20	1,487	64.05	3,295	52.75	7,113	46.90	11,642	45.50
561-580	129.65	671	86.90	1,491	64.75	3,315	53.65	7,106	47.65	11,673	46.35
581-600	131.50	672	88.30	1,495	66.00	3,297	54.40	7,199	48.95	11,498	46.90

ISSUED 12/28/04

EFFECTIVE 1/28/05

BY: KENTUCKY HOUSEHOLD GOODS CARRIERS ASSOCIATION, INC.

SP-86

SECTION II-G

Rates are in dollars and cents per 100 pounds applied to the actual weight (subject to Rules 3, 14 and 21), and include loading and unloading, and the actual movement or transportation of property from origin to destination, but do not include Additional Services and Charges shown in Section I. (Break Point indicates weight at which a lower charge develops by use of lowest weight and applicable rate in next highest weight bracket.)

MILES	500 TO 999	BREAK POINT	1,000 TO 1,999	BREAK POINT	2,000 TO 3,999	BREAK POINT	4,000 TO 7,999	BREAK POINT	8,000 TO 11,999	BREAK POINT	12,000 & OVER
1-15	53.35	684	36.45	1,567	28.55	3,636	25.95	5,796	18.80	11,011	17.25
16-20	56.30	681	38.30	1,551	29.70	3,576	26.55	5,816	19.30	11,099	17.85
21-30	59.00	683	40.25	1,546	31.10	3,499	27.20	6,059	20.60	10,952	18.80
31-40	62.50	664	41.50	1,564	32.45	3,440	27.90	6,194	21.60	10,723	19.30
41-50	65.55	661	43.30	1,571	34.00	3,359	28.55	6,207	22.15	10,890	20.10
51-60	68.30	662	45.20	1,569	35.45	3,380	29.95	6,278	23.50	11,005	21.55
61-70	71.70	660	47.30	1,542	36.45	3,380	30.80	6,299	24.25	11,060	22.35
71-80	74.60	662	49.35	1,553	38.30	3,316	31.75	6,350	25.20	11,191	23.50
81-90	77.85	654	50.90	1,543	39.25	3,308	32.45	6,558	26.60	10,850	24.05
91-100	79.90	659	52.60	1,539	40.45	3,274	33.10	6,611	27.35	10,684	24.35
101-110	83.30	659	54.85	1,508	41.35	3,289	34.00	6,612	28.10	10,741	25.15
111-120	85.65	667	57.05	1,506	42.95	3,214	34.50	6,714	28.95	10,446	25.20
121-130	88.10	667	58.70	1,523	44.70	3,173	35.45	6,703	29.70	10,485	25.95
131-140	90.20	670	60.35	1,535	46.30	3,111	36.00	6,767	30.45	10,503	26.65
141-150	92.65	672	62.25	1,498	46.60	3,129	36.45	6,826	31.10	10,592	27.45
151-160	93.40	672	62.70	1,498	46.95	3,170	37.20	6,775	31.50	10,629	27.90
161-170	95.95	671	64.30	1,509	48.50	3,114	37.75	6,846	32.30	10,626	28.60
171-180	98.85	666	65.75	1,491	49.00	3,164	38.75	6,813	33.00	10,655	29.30
181-190	101.20	669	67.70	1,470	49.75	3,188	39.65	6,861	34.00	10,695	30.30
191-200	103.05	671	69.05	1,470	50.75	3,189	40.45	6,853	34.65	10,858	31.35
201-220	106.00	667	70.60	1,476	52.10	3,167	41.25	6,934	35.75	10,893	32.45
221-240	109.10	665	72.45	1,479	53.55	3,183	42.60	6,855	36.50	11,179	34.00
241-260	111.30	671	74.60	1,492	55.65	3,124	43.45	6,877	37.35	11,165	34.75
261-280	114.05	668	76.15	1,499	57.05	3,124	44.55	6,977	38.85	11,182	36.20
281-300	117.70	662	77.90	1,502	58.50	3,115	45.55	6,991	39.80	11,292	37.45
301-320	118.60	661	78.35	1,499	58.70	3,169	46.50	7,020	40.80	11,324	38.50
321-340	119.70	678	81.15	1,483	60.15	3,146	47.30	7,020	41.50	11,668	40.35
341-360	122.65	676	82.80	1,491	61.70	3,145	48.50	7,085	42.95	11,526	41.25
361-380	125.30	678	84.85	1,502	63.70	3,115	49.60	7,097	44.00	11,578	42.45
381-400	127.45	679	86.50	1,490	64.40	3,184	51.25	7,087	45.40	11,485	43.45
401-420	129.70	682	88.35	1,479	65.30	3,223	52.60	7,141	46.95	11,604	45.40
421-440	133.15	678	90.25	1,470	66.30	3,219	53.35	7,243	48.30	11,528	46.40
441-460	134.70	682	91.75	1,463	67.10	3,226	54.10	7,283	49.25	11,611	47.65
461-480	137.80	677	93.20	1,461	68.05	3,251	55.30	7,299	50.45	11,691	49.15
481-500	141.20	671	94.70	1,470	69.60	3,253	56.60	7,336	51.90	11,642	50.35
501-520	142.85	674	96.15	1,472	70.75	3,299	58.35	7,260	52.95	11,502	50.75
521-540	145.20	671	97.40	1,490	72.55	3,289	59.65	7,176	53.50	11,630	51.85
541-560	146.90	675	99.10	1,487	73.65	3,297	60.70	7,111	53.95	11,645	52.35
561-580	149.00	671	99.90	1,493	74.55	3,311	61.70	7,112	54.85	11,672	53.35
581-600	151.25	672	101.50	1,495	75.85	3,302	62.60	7,208	56.40	11,479	53.95

ISSUED 12/28/04

BY: KENTUCKY HOUSEHOLD GOODS CARRIERS ASSOCIATION, INC.

EFFECTIVE 1/28/05

SP-86

SECTION VI-A

Rates are in dollars and cents per 100 pounds applied to the actual weight (subject to Rules 3, 14 and 21), and include loading and unloading, and the actual movement or transportation of property from origin to destination, but do not include Additional Services and Charges shown in Section I. (Break Point indicates weight at which a lower charge develops by use of lowest weight and applicable rate in next highest weight bracket.)

MILES	500 TO 999	BREAK POINT	1,000 TO 1,999	BREAK POINT	2,000 TO 3,999	BREAK POINT	4,000 TO 7,999	BREAK POINT	8,000 TO 11,999	BREAK POINT	12,000 & OVER
1-15	24.90	675	16.80	1,673	14.05	3,502	12.30	6,472	9.95	11,458	9.50
16-20	25.65	675	17.30	1,671	14.45	3,571	12.90	6,233	10.05	11,702	9.80
21-30	27.75	651	18.05	1,657	14.95	3,479	13.00	6,647	10.80	11,056	9.95
31-40	28.30	672	19.00	1,653	15.70	3,364	13.20	6,667	11.00	10,964	10.05
41-50	29.20	672	19.60	1,643	16.10	3,305	13.30	6,707	11.15	11,247	10.45
51-60	30.40	678	20.60	1,588	16.35	3,340	13.65	6,828	11.65	11,331	11.00
61-70	31.90	667	21.25	1,619	17.20	3,361	14.45	6,755	12.20	11,460	11.65
71-80	33.40	664	22.15	1,608	17.80	3,326	14.80	6,973	12.90	11,349	12.20
81-90	34.10	669	22.80	1,619	18.45	3,404	15.70	6,778	13.30	11,640	12.90
91-100	35.80	672	24.05	1,597	19.20	3,355	16.10	6,982	14.05	11,275	13.20
101-110	37.25	653	24.30	1,638	19.90	3,267	16.25	6,942	14.10	11,490	13.50
111-120	38.35	655	25.10	1,614	20.25	3,230	16.35	7,071	14.45	11,336	13.65
121-130	39.45	658	25.95	1,627	21.10	3,185	16.80	6,929	14.55	11,588	14.05
131-140	40.40	665	26.85	1,583	21.25	3,200	17.00	6,965	14.80	11,717	14.45
141-150	41.45	663	27.45	1,592	21.85	3,168	17.30	7,006	15.15	11,723	14.80
151-160	41.55	668	27.75	1,590	22.05	3,193	17.60	6,978	15.35	11,688	14.95
161-170	42.80	663	28.35	1,570	22.25	3,245	18.05	7,003	15.80	11,659	15.35
171-180	43.50	669	29.10	1,574	22.90	3,232	18.50	7,049	16.30	11,632	15.80
181-190	44.75	670	29.95	1,576	23.60	3,212	18.95	7,114	16.85	11,573	16.25
191-200	45.50	663	30.15	1,593	24.00	3,217	19.30	7,089	17.10	11,439	16.30
201-220	46.85	662	31.00	1,568	24.30	3,276	19.90	7,156	17.80	11,360	16.85
221-240	47.85	664	31.75	1,597	25.35	3,212	20.35	7,273	18.50	11,384	17.55
241-260	49.15	664	32.60	1,602	26.10	3,234	21.10	7,242	19.10	11,624	18.50
261-280	50.45	665	33.50	1,624	27.20	3,177	21.60	7,371	19.90	11,518	19.10
281-300	51.50	668	34.40	1,643	28.25	3,165	22.35	7,446	20.80	11,481	19.90
301-320	52.25	666	34.75	1,632	28.35	3,217	22.80	7,439	21.20	11,519	20.35
321-340	52.90	676	35.75	1,648	29.45	3,192	23.50	7,507	22.05	11,211	20.60
341-360	54.15	679	36.75	1,644	30.20	3,193	24.10	7,569	22.80	11,185	21.25
361-380	55.30	676	37.35	1,674	31.25	3,188	24.90	7,551	23.50	11,260	22.05
381-400	56.00	679	38.00	1,672	31.75	3,175	25.20	7,620	24.00	11,400	22.80
401-420	56.95	677	38.50	1,694	32.60	3,203	26.10	7,449	24.30	11,482	23.25
421-440	58.00	678	39.30	1,690	33.20	3,205	26.60	7,534	25.05	11,330	23.65
441-460	59.25	673	39.85	1,697	33.80	3,231	27.30	7,502	25.60	11,391	24.30
461-480	60.35	675	40.70	1,691	34.40	3,268	28.10	7,559	26.55	11,323	25.05
481-500	61.40	673	41.30	1,683	34.75	3,287	28.55	7,524	26.85	11,576	25.90
501-520	62.35	673	41.90	1,695	35.50	3,279	29.10	7,588	27.60	11,435	26.30
521-540	63.35	676	42.80	1,718	36.75	3,233	29.70	7,623	28.30	11,280	26.60
541-560	64.05	676	43.25	1,711	37.00	3,255	30.10	7,615	28.65	11,393	27.20
561-580	64.95	671	43.55	1,711	37.25	3,270	30.45	7,672	29.20	11,322	27.55
581-600	65.80	674	44.30	1,696	37.55	3,303	31.00	7,562	29.30	11,509	28.10

ISSUED 12/28/04

BY: KENTUCKY HOUSEHOLD GOODS CARRIERS ASSOCIATION, INC.

EFFECTIVE 1/28/05

SP-86

SECTION VI-B

Rates are in dollars and cents per 100 pounds applied to the actual weight (subject to Rules 3, 14 and 21), and include loading and unloading, and the actual movement or transportation of property from origin to destination, but do not include Additional Services and Charges shown in Section I. (Break Point indicates weight at which a lower charge develops by use of lowest weight and applicable rate in next highest weight bracket.)

MILES	500 TO 999	BREAK POINT	1,000 TO 1,999	BREAK POINT	2,000 TO 3,999	BREAK POINT	4,000 TO 7,999	BREAK POINT	8,000 TO 11,999	BREAK POINT	12,000 & OVER
1-15	37.20	683	25.40	1,567	19.90	3,619	18.00	5,867	13.20	11,046	12.15
16-20	39.20	679	26.60	1,557	20.70	3,566	18.45	5,854	13.50	10,934	12.30
21-30	41.25	676	27.85	1,552	21.60	3,510	18.95	6,059	14.35	10,955	13.10
31-40	43.45	669	29.05	1,563	22.70	3,428	19.45	6,232	15.15	10,654	13.45
41-50	45.50	663	30.15	1,569	23.65	3,366	19.90	6,212	15.45	10,952	14.10
51-60	47.75	657	31.35	1,583	24.80	3,371	20.90	6,240	16.30	11,117	15.10
61-70	49.90	662	33.00	1,540	25.40	3,371	21.40	6,356	17.00	11,083	15.70
71-80	52.05	660	34.35	1,546	26.55	3,330	22.10	6,372	17.60	11,114	16.30
81-90	54.20	657	35.60	1,537	27.35	3,320	22.70	6,520	18.50	10,898	16.80
91-100	55.60	662	36.80	1,528	28.10	3,275	23.00	6,644	19.10	10,713	17.05
101-110	58.00	657	38.05	1,527	29.05	3,257	23.65	6,664	19.70	10,691	17.55
111-120	59.65	667	39.75	1,507	29.95	3,219	24.10	6,689	20.15	10,482	17.60
121-130	61.25	671	41.05	1,516	31.10	3,190	24.80	6,678	20.70	10,435	18.00
131-140	62.95	672	42.25	1,520	32.10	3,122	25.05	6,787	21.25	10,532	18.65
141-150	64.70	671	43.40	1,503	32.60	3,117	25.40	6,804	21.60	10,723	19.30
151-160	65.00	671	43.60	1,510	32.90	3,149	25.90	6,811	22.05	10,586	19.45
161-170	66.75	671	44.75	1,518	33.95	3,111	26.40	6,788	22.40	10,661	19.90
171-180	68.80	668	45.90	1,486	34.10	3,156	26.90	6,811	22.90	10,795	20.60
181-190	70.55	670	47.20	1,475	34.80	3,173	27.60	6,856	23.65	10,732	21.15
191-200	71.85	670	48.10	1,475	35.45	3,171	28.10	6,862	24.10	10,880	21.85
201-220	73.95	666	49.25	1,481	36.45	3,150	28.70	6,941	24.90	10,940	22.70
221-240	76.00	664	50.45	1,481	37.35	3,181	29.70	6,883	25.55	11,108	23.65
241-260	77.75	670	52.05	1,489	38.75	3,118	30.20	6,928	26.15	11,083	24.15
261-280	79.65	668	53.20	1,495	39.75	3,130	31.10	6,997	27.20	11,118	25.20
281-300	82.05	663	54.35	1,498	40.70	3,136	31.90	6,960	27.75	11,309	26.15
301-320	82.75	670	55.40	1,482	41.05	3,153	32.35	7,061	28.55	11,286	26.85
321-340	83.60	677	56.55	1,488	42.05	3,149	33.10	7,034	29.10	11,506	27.90
341-360	85.65	674	57.70	1,500	43.25	3,145	34.00	7,071	30.05	11,441	28.65
361-380	87.40	678	59.20	1,499	44.35	3,135	34.75	7,080	30.75	11,493	29.45
381-400	88.90	679	60.35	1,488	44.90	3,176	35.65	7,103	31.65	11,451	30.20
401-420	90.45	681	61.55	1,477	45.45	3,235	36.75	7,162	32.90	11,545	31.65
421-440	92.70	680	62.95	1,472	46.30	3,214	37.20	7,226	33.60	11,483	32.15
441-460	93.90	682	63.95	1,467	46.90	3,229	37.85	7,261	34.35	11,599	33.20
461-480	96.20	675	64.90	1,464	47.50	3,247	38.55	7,253	34.95	11,726	34.15
481-500	98.40	671	66.00	1,469	48.45	3,257	39.45	7,341	36.20	11,570	34.90
501-520	99.70	673	67.05	1,471	49.30	3,291	40.55	7,300	37.00	11,498	35.45
521-540	101.25	671	67.90	1,489	50.55	3,280	41.45	7,200	37.30	11,550	35.90
541-560	102.75	673	69.05	1,486	51.30	3,299	42.30	7,102	37.55	11,649	36.45
561-580	103.90	672	69.75	1,487	51.85	3,314	42.95	7,144	38.35	11,641	37.20
581-600	105.40	671	70.70	1,494	52.80	3,300	43.55	7,211	39.25	11,465	37.50

SECTION VI-E

Rates are in dollars and cents per 100 pounds applied to the actual weight (subject to Rules 3, 14 and 21), and include loading and unloading, and the actual movement or transportation of property from origin to destination, but do not include Additional Services and Charges shown in Section I. (Break Point indicates weight at which a lower charge develops by use of lowest weight and applicable rate in next highest weight bracket.)

MILES	500 TO 999	BREAK POINT	1,000 TO 1,999	BREAK POINT	2,000 TO 3,999	BREAK POINT	4,000 TO 7,999	BREAK POINT	8,000 TO 11,999	BREAK POINT	12,000 & OVER
1-15	48.50	686	33.25	1,561	25.95	3,646	23.65	5,768	17.05	11,121	15.80
16-20	51.25	679	34.75	1,549	26.90	3,592	24.15	5,847	17.65	11,083	16.30
21-30	53.85	677	36.45	1,556	28.35	3,500	24.80	6,065	18.80	10,883	17.05
31-40	56.85	666	37.85	1,557	29.45	3,450	25.40	6,205	19.70	10,752	17.65
41-50	59.65	661	39.40	1,574	31.00	3,349	25.95	6,243	20.25	10,875	18.35
51-60	62.25	662	41.15	1,568	32.25	3,387	27.30	6,242	21.30	11,043	19.60
61-70	65.10	665	43.25	1,538	33.25	3,381	28.10	6,307	22.15	11,052	20.40
71-80	67.95	661	44.90	1,548	34.75	3,344	29.05	6,307	22.90	11,162	21.30
81-90	70.80	656	46.40	1,541	35.75	3,296	29.45	6,574	24.20	10,835	21.85
91-100	72.80	658	47.85	1,539	36.80	3,278	30.15	6,647	25.05	10,659	22.25
101-110	75.85	658	49.90	1,506	37.55	3,303	31.00	6,607	25.60	10,711	22.85
111-120	78.00	668	52.05	1,507	39.20	3,199	31.35	6,737	26.40	10,410	22.90
121-130	80.25	668	53.55	1,521	40.70	3,170	32.25	6,673	26.90	10,551	23.65
131-140	82.10	670	55.00	1,530	42.05	3,116	32.75	6,779	27.75	10,487	24.25
141-150	84.35	673	56.70	1,498	42.45	3,134	33.25	6,822	28.35	10,625	25.10
151-160	85.15	672	57.20	1,497	42.80	3,159	33.80	6,782	28.65	10,639	25.40
161-170	87.40	670	58.55	1,515	44.35	3,103	34.40	6,814	29.30	10,690	26.10
171-180	89.95	666	59.85	1,491	44.60	3,180	35.45	6,793	30.10	10,665	26.75
181-190	92.20	668	61.55	1,476	45.40	3,190	36.20	6,851	31.00	10,665	27.55
191-200	93.90	671	62.95	1,470	46.25	3,183	36.80	6,837	31.45	10,894	28.55
201-220	96.70	665	64.30	1,480	47.55	3,155	37.50	6,955	32.60	10,841	29.45
221-240	99.35	665	66.00	1,482	48.90	3,170	38.75	6,896	33.40	11,138	31.00
241-260	101.35	671	67.95	1,494	50.75	3,126	39.65	6,881	34.10	11,138	31.65
261-280	103.95	668	69.40	1,500	52.05	3,117	40.55	7,004	35.50	11,122	32.90
281-300	107.30	662	71.00	1,503	53.35	3,116	41.55	6,990	36.30	11,290	34.15
301-320	108.25	661	71.50	1,498	53.55	3,168	42.40	7,038	37.30	11,244	34.95
321-340	109.10	677	73.85	1,487	54.90	3,152	43.25	7,002	37.85	11,572	36.50
341-360	111.90	676	75.55	1,491	56.30	3,151	44.35	7,072	39.20	11,480	37.50
361-380	114.10	677	77.20	1,502	57.95	3,131	45.35	7,057	40.00	11,610	38.70
381-400	116.15	679	78.85	1,487	58.60	3,175	46.50	7,132	41.45	11,479	39.65
401-420	118.25	682	80.55	1,480	59.60	3,212	47.85	7,156	42.80	11,622	41.45
421-440	121.25	679	82.30	1,470	60.45	3,210	48.50	7,242	43.90	11,549	42.25
441-460	122.65	683	83.65	1,465	61.25	3,220	49.30	7,262	44.75	11,652	43.45
461-480	125.60	676	84.90	1,461	62.00	3,252	50.40	7,310	46.05	11,649	44.70
481-500	128.65	671	86.20	1,470	63.35	3,255	51.55	7,333	47.25	11,645	45.85
501-520	130.25	674	87.70	1,475	64.65	3,277	52.95	7,298	48.30	11,491	46.25
521-540	132.25	672	88.85	1,488	66.10	3,280	54.20	7,203	48.80	11,607	47.20
541-560	134.05	674	90.25	1,486	67.05	3,300	55.30	7,111	49.15	11,659	47.75
561-580	135.85	671	91.10	1,491	67.90	3,317	56.30	7,091	49.90	11,664	48.50
581-600	137.75	672	92.55	1,494	69.10	3,297	56.95	7,207	51.30	11,498	49.15

SECTION VI-F

Rates are in dollars and cents per 100 pounds applied to the actual weight (subject to Rules 3, 14 and 21), and include loading and unloading, and the actual movement or transportation of property from origin to destination, but do not include Additional Services and Charges shown in Section I. (Break Point indicates weight at which a lower charge develops by use of lowest weight and applicable rate in next highest weight bracket.)

MILES	500 TO 999	BREAK POINT	1,000 TO 1,999	BREAK POINT	2,000 TO 3,999	BREAK POINT	4,000 TO 7,999	BREAK POINT	8,000 TO 11,999	BREAK POINT	12,000 & OVER
1-15	50.90	686	34.90	1,565	27.30	3,649	24.90	5,768	17.95	11,065	16.55
16-20	53.65	680	36.45	1,556	28.35	3,577	25.35	5,839	18.50	11,060	17.05
21-30	56.55	680	38.40	1,550	29.75	3,490	25.95	6,074	19.70	10,935	17.95
31-40	59.70	666	39.75	1,565	31.10	3,428	26.65	6,214	20.70	10,725	18.50
41-50	62.60	663	41.45	1,569	32.50	3,360	27.30	6,213	21.20	10,897	19.25
51-60	65.30	663	43.25	1,564	33.80	3,385	28.60	6,266	22.40	11,036	20.60
61-70	68.55	662	45.35	1,540	34.90	3,370	29.40	6,327	23.25	10,994	21.30
71-80	71.30	662	47.20	1,545	36.45	3,337	30.40	6,356	24.15	11,131	22.40
81-90	74.55	655	48.80	1,537	37.50	3,318	31.10	6,534	25.40	10,796	22.85
91-100	76.40	660	50.35	1,538	38.70	3,272	31.65	6,648	26.30	10,677	23.40
101-110	79.70	659	52.50	1,503	39.45	3,296	32.50	6,610	26.85	10,771	24.10
111-120	81.90	667	54.55	1,509	41.15	3,208	33.00	6,691	27.60	10,500	24.15
121-130	84.20	669	56.30	1,521	42.80	3,159	33.80	6,711	28.35	10,540	24.90
131-140	86.25	669	57.70	1,536	44.30	3,107	34.40	6,791	29.20	10,500	25.55
141-150	88.65	673	59.60	1,497	44.60	3,131	34.90	6,820	29.75	10,649	26.40
151-160	89.35	673	60.05	1,496	44.90	3,172	35.60	6,776	30.15	10,607	26.65
161-170	91.75	670	61.45	1,512	46.45	3,118	36.20	6,829	30.90	10,622	27.35
171-180	94.65	665	62.90	1,492	46.90	3,173	37.20	6,796	31.60	10,728	28.25
181-190	96.90	669	64.75	1,475	47.75	3,180	37.95	6,852	32.50	10,727	29.05
191-200	98.60	671	66.10	1,466	48.45	3,196	38.70	6,843	33.10	10,895	30.05
201-220	101.30	667	67.50	1,479	49.90	3,159	39.40	6,935	34.15	10,929	31.10
221-240	104.35	665	69.30	1,481	51.30	3,174	40.70	6,870	34.95	11,159	32.50
241-260	106.45	670	71.30	1,497	53.35	3,116	41.55	6,884	35.75	11,161	33.25
261-280	109.10	668	72.85	1,498	54.55	3,124	42.60	6,996	37.25	11,163	34.65
281-300	112.60	663	74.60	1,499	55.90	3,117	43.55	6,990	38.05	11,291	35.80
301-320	113.55	660	74.85	1,505	56.30	3,166	44.55	7,040	39.20	11,266	36.80
321-340	114.45	679	77.65	1,483	57.55	3,153	45.35	7,013	39.75	11,623	38.50
341-360	117.45	675	79.25	1,489	59.00	3,150	46.45	7,088	41.15	11,490	39.40
361-380	119.90	677	81.10	1,505	61.00	3,119	47.55	7,075	42.05	11,601	40.65
381-400	121.90	679	82.70	1,488	61.50	3,184	48.95	7,102	43.45	11,476	41.55
401-420	124.10	681	84.45	1,481	62.50	3,223	50.35	7,135	44.90	11,613	43.45
421-440	127.30	679	86.35	1,469	63.40	3,212	50.90	7,270	46.25	11,520	44.40
441-460	128.95	681	87.80	1,464	64.25	3,225	51.80	7,267	47.05	11,605	45.50
461-480	131.85	677	89.15	1,459	65.00	3,250	52.80	7,319	48.30	11,665	46.95
481-500	135.10	670	90.45	1,471	66.50	3,258	54.15	7,328	49.60	11,638	48.10
501-520	136.75	673	91.90	1,475	67.75	3,286	55.65	7,296	50.75	11,457	48.45
521-540	138.85	672	93.25	1,489	69.40	3,283	56.95	7,200	51.25	11,602	49.55
541-560	140.65	675	94.85	1,487	70.50	3,288	57.95	7,117	51.55	11,651	50.05
561-580	142.60	672	95.70	1,488	71.20	3,315	59.00	7,119	52.50	11,635	50.90
581-600	144.75	672	97.15	1,497	72.70	3,293	59.85	7,198	53.85	11,488	51.55

ISSUED 12/28/04

EFFECTIVE 1/28/05

BY: KENTUCKY HOUSEHOLD GOODS CARRIERS ASSOCIATION, INC.

SP-86

SECTION VI-G

Rates are in dollars and cents per 100 pounds applied to the actual weight (subject to Rules 3, 14 and 21), and include loading and unloading, and the actual movement or transportation of property from origin to destination, but do not include Additional Services and Charges shown in Section I. (Break Point indicates weight at which a lower charge develops by use of lowest weight and applicable rate in next highest weight bracket.)

MILES	500 TO 999	BREAK POINT	1,000 TO 1,999	BREAK POINT	2,000 TO 3,999	BREAK POINT	4,000 TO 7,999	BREAK POINT	8,000 TO 11,999	BREAK POINT	12,000 & OVER
1-15	58.60	687	40.25	1,558	31.35	3,643	28.55	5,773	20.60	11,127	19.10
16-20	61.85	680	42.05	1,551	32.60	3,583	29.20	5,822	21.25	11,069	19.60
21-30	64.90	683	44.30	1,542	34.15	3,509	29.95	6,064	22.70	10,890	20.60
31-40	68.65	664	45.55	1,568	35.70	3,446	30.75	6,244	24.00	10,625	21.25
41-50	72.05	662	47.65	1,568	37.35	3,358	31.35	6,201	24.30	10,914	22.10
51-60	75.05	661	49.60	1,567	38.85	3,388	32.90	6,286	25.85	11,026	23.75
61-70	78.85	661	52.05	1,547	40.25	3,374	33.95	6,280	26.65	11,032	24.50
71-80	81.95	662	54.20	1,552	42.05	3,320	34.90	6,362	27.75	11,179	25.85
81-90	85.65	654	56.00	1,545	43.25	3,302	35.70	6,555	29.25	10,831	26.40
91-100	87.85	658	57.80	1,539	44.45	3,272	36.35	6,636	30.15	10,687	26.85
101-110	91.65	658	60.25	1,509	45.45	3,288	37.35	6,619	30.90	10,719	27.60
111-120	94.15	668	62.85	1,504	47.25	3,217	38.00	6,716	31.90	10,439	27.75
121-130	96.95	668	64.70	1,523	49.25	3,156	38.85	6,713	32.60	10,510	28.55
131-140	99.25	670	66.40	1,532	50.85	3,119	39.65	6,760	33.50	10,496	29.30
141-150	101.90	672	68.45	1,501	51.35	3,136	40.25	6,788	34.15	10,613	30.20
151-160	102.90	672	69.05	1,499	51.75	3,150	40.75	6,813	34.70	10,635	30.75
161-170	105.55	670	70.70	1,514	53.50	3,107	41.55	6,855	35.60	10,602	31.45
171-180	108.80	665	72.25	1,494	53.95	3,170	42.75	6,793	36.30	10,678	32.30
181-190	111.20	671	74.55	1,473	54.90	3,174	43.55	6,862	37.35	10,731	33.40
191-200	113.30	671	76.00	1,466	55.70	3,193	44.45	6,849	38.05	10,881	34.50
201-220	116.50	667	77.70	1,479	57.45	3,158	45.35	6,933	39.30	10,901	35.70
221-240	120.00	665	79.70	1,479	58.90	3,186	46.90	6,883	40.35	11,108	37.35
241-260	122.50	669	81.95	1,498	61.35	3,117	47.80	6,888	41.15	11,169	38.30
261-280	125.50	668	83.80	1,500	62.85	3,119	49.00	6,988	42.80	11,159	39.80
281-300	129.60	662	85.70	1,501	64.30	3,120	50.15	6,972	43.70	11,328	41.25
301-320	130.60	661	86.20	1,502	64.70	3,172	51.30	7,034	45.10	11,255	42.30
321-340	131.65	678	89.20	1,484	66.15	3,148	52.05	7,001	45.55	11,684	44.35
341-360	135.10	676	91.25	1,490	67.95	3,150	53.50	7,066	47.25	11,518	45.35
361-380	137.75	677	93.25	1,503	70.05	3,115	54.55	7,091	48.35	11,628	46.85
381-400	140.30	679	95.25	1,486	70.75	3,189	56.40	7,079	49.90	11,495	47.80
401-420	142.65	682	97.20	1,479	71.85	3,218	57.80	7,163	51.75	11,572	49.90
421-440	146.45	679	99.35	1,469	72.95	3,214	58.60	7,263	53.20	11,516	51.05
441-460	148.30	682	101.00	1,463	73.85	3,229	59.60	7,262	54.10	11,646	52.50
461-480	151.70	676	102.40	1,461	74.80	3,249	60.75	7,303	55.45	11,687	54.00
481-500	155.40	670	104.10	1,470	76.50	3,261	62.35	7,320	57.05	11,643	55.35
501-520	157.35	673	105.85	1,472	77.90	3,289	64.05	7,301	58.45	11,436	55.70
521-540	159.75	671	107.15	1,489	79.75	3,291	65.60	7,159	58.70	11,643	56.95
541-560	161.80	675	109.10	1,487	81.10	3,293	66.75	7,114	59.35	11,637	57.55
561-580	163.90	672	110.00	1,490	81.90	3,319	67.95	7,094	60.25	11,672	58.60
581-600	166.35	673	111.85	1,494	83.55	3,294	68.80	7,198	61.90	11,506	59.35

ISSUED 12/28/04

BY: KENTUCKY HOUSEHOLD GOODS CARRIERS ASSOCIATION, INC.

EFFECTIVE 1/28/05

SP-86

SECTION VI-D

Rates are in dollars and cents per 100 pounds applied to the actual weight (subject to Rules 3, 14 and 21), and include loading and unloading, and the actual movement or transportation of property from origin to destination, but do not include Additional Services and Charges shown in Section I. (Break Point indicates weight at which a lower charge develops by use of lowest weight and applicable rate in next highest weight bracket.)

MILES	500 TO 999	BREAK POINT	1,000 TO 1,999	BREAK POINT	2,000 TO 3,999	BREAK POINT	4,000 TO 7,999	BREAK POINT	8,000 TO 11,999	BREAK POINT	12,000 & OVER
1-15	44.05	685	30.15	1,569	23.65	3,620	21.40	5,776	15.45	11,224	14.45
16-20	46.45	681	31.60	1,561	24.65	3,579	22.05	5,842	16.10	11,069	14.85
21-30	48.95	677	33.10	1,550	25.65	3,494	22.40	6,090	17.05	10,874	15.45
31-40	51.75	665	34.40	1,562	26.85	3,427	23.00	6,244	17.95	10,764	16.10
41-50	54.20	661	35.80	1,570	28.10	3,367	23.65	6,208	18.35	11,020	16.85
51-60	56.60	660	37.30	1,572	29.30	3,400	24.90	6,217	19.35	11,039	17.80
61-70	59.25	663	39.25	1,537	30.15	3,390	25.55	6,310	20.15	11,107	18.65
71-80	61.85	660	40.80	1,550	31.60	3,330	26.30	6,419	21.10	11,005	19.35
81-90	64.60	655	42.25	1,544	32.60	3,295	26.85	6,585	22.10	10,752	19.80
91-100	66.10	659	43.55	1,537	33.45	3,283	27.45	6,616	22.70	10,705	20.25
101-110	68.95	658	45.35	1,515	34.35	3,273	28.10	6,662	23.40	10,667	20.80
111-120	70.80	668	47.25	1,507	35.60	3,208	28.55	6,740	24.05	10,529	21.10
121-130	72.85	670	48.80	1,519	37.05	3,164	29.30	6,731	24.65	10,418	21.40
131-140	74.65	671	50.05	1,533	38.35	3,103	29.75	6,777	25.20	10,548	22.15
141-150	76.75	672	51.50	1,503	38.70	3,117	30.15	6,806	25.65	10,667	22.80
151-160	77.20	675	52.05	1,499	39.00	3,134	30.55	6,835	26.10	10,575	23.00
161-170	79.25	674	53.35	1,513	40.35	3,108	31.35	6,801	26.65	10,695	23.75
171-180	81.85	665	54.40	1,491	40.55	3,167	32.10	6,817	27.35	10,640	24.25
181-190	83.80	669	56.00	1,481	41.45	3,175	32.90	6,833	28.10	10,698	25.05
191-200	85.35	669	57.05	1,468	41.85	3,198	33.45	6,841	28.60	10,889	25.95
201-220	87.80	667	58.50	1,484	43.40	3,148	34.15	6,899	29.45	10,941	26.85
221-240	90.25	664	59.90	1,485	44.45	3,182	35.35	6,835	30.20	11,166	28.10
241-260	92.20	671	61.85	1,496	46.25	3,105	35.90	6,931	31.10	11,074	28.70
261-280	94.40	671	63.25	1,495	47.25	3,133	37.00	6,952	32.15	11,179	29.95
281-300	97.55	663	64.65	1,499	48.45	3,125	37.85	6,975	33.00	11,364	31.25
301-320	98.40	660	64.90	1,504	48.80	3,160	38.55	7,046	33.95	11,276	31.90
321-340	99.20	676	67.00	1,490	49.90	3,147	39.25	7,012	34.40	11,599	33.25
341-360	101.75	675	68.65	1,494	51.25	3,150	40.35	7,059	35.60	11,512	34.15
361-380	103.90	679	70.45	1,494	52.60	3,141	41.30	7,071	36.50	11,491	34.95
381-400	105.65	679	71.70	1,491	53.45	3,174	42.40	7,076	37.50	11,488	35.90
401-420	107.60	680	73.10	1,482	54.15	3,217	43.55	7,165	39.00	11,539	37.50
421-440	110.20	678	74.70	1,469	54.85	3,213	44.05	7,238	39.85	11,564	38.40
441-460	111.35	683	76.00	1,465	55.65	3,217	44.75	7,285	40.75	11,603	39.40
461-480	114.10	675	77.00	1,467	56.45	3,253	45.90	7,286	41.80	11,685	40.70
481-500	116.95	670	78.35	1,468	57.50	3,263	46.90	7,318	42.90	11,609	41.50
501-520	118.35	674	79.65	1,472	58.60	3,294	48.25	7,246	43.70	11,492	41.85
521-540	120.15	672	80.70	1,489	60.05	3,281	49.25	7,205	44.35	11,581	42.80
541-560	121.90	674	82.05	1,489	61.05	3,299	50.35	7,103	44.70	11,665	43.45
561-580	123.40	671	82.75	1,488	61.55	3,331	51.25	7,080	45.35	11,657	44.05
581-600	125.35	670	83.95	1,500	62.95	3,292	51.80	7,182	46.50	11,536	44.70

ISSUED 12/28/04

BY: KENTUCKY HOUSEHOLD GOODS CARRIERS ASSOCIATION, INC.

EFFECTIVE 1/28/05

SP-86

SECTION VI-C

Rates are in dollars and cents per 100 pounds applied to the actual weight (subject to Rules 3, 14 and 21), and include loading and unloading, and the actual movement or transportation of property from origin to destination, but do not include Additional Services and Charges shown in Section I. (Break Point indicates weight at which a lower charge develops by use of lowest weight and applicable rate in next highest weight bracket.)

MILES	500 TO 999	BREAK POINT	1,000 TO 1,999	BREAK POINT	2,000 TO 3,999	BREAK POINT	4,000 TO 7,999	BREAK POINT	8,000 TO 11,999	BREAK POINT	12,000 & OVER
1-15	40.75	685	27.90	1,567	21.85	3,625	19.80	5,839	14.45	11,045	13.30
16-20	42.95	682	29.25	1,553	22.70	3,586	20.35	5,878	14.95	10,957	13.65
21-30	45.35	674	30.55	1,575	24.05	3,460	20.80	6,077	15.80	10,975	14.45
31-40	47.80	668	31.90	1,568	25.00	3,408	21.30	6,310	16.80	10,608	14.85
41-50	50.35	660	33.20	1,573	26.10	3,349	21.85	6,243	17.05	10,874	15.45
51-60	52.55	660	34.65	1,570	27.20	3,368	22.90	6,271	17.95	11,031	16.50
61-70	54.90	660	36.20	1,542	27.90	3,391	23.65	6,309	18.65	11,068	17.20
71-80	57.20	662	37.85	1,543	29.20	3,316	24.20	6,397	19.35	11,132	17.95
81-90	59.65	658	39.20	1,536	30.10	3,323	25.00	6,512	20.35	10,821	18.35
91-100	61.25	663	40.55	1,529	31.00	3,278	25.40	6,646	21.10	10,692	18.80
101-110	63.90	656	41.90	1,516	31.75	3,289	26.10	6,606	21.55	10,748	19.30
111-120	65.75	664	43.60	1,510	32.90	3,210	26.40	6,713	22.15	10,484	19.35
121-130	67.40	670	45.10	1,515	34.15	3,186	27.20	6,706	22.80	10,422	19.80
131-140	69.10	672	46.40	1,531	35.50	3,105	27.55	6,824	23.50	10,418	20.40
141-150	71.15	672	47.75	1,496	35.70	3,127	27.90	6,897	24.05	10,578	21.20
151-160	71.80	673	48.25	1,499	36.15	3,137	28.35	6,815	24.15	10,584	21.30
161-170	73.20	674	49.30	1,514	37.30	3,121	29.10	6,846	24.90	10,627	22.05
171-180	75.80	666	50.45	1,485	37.45	3,173	29.70	6,829	25.35	10,699	22.60
181-190	77.70	667	51.80	1,483	38.40	3,167	30.40	6,869	26.10	10,575	23.00
191-200	79.05	668	52.80	1,468	38.75	3,200	31.00	6,852	26.55	10,893	24.10
201-220	81.15	668	54.15	1,476	39.95	3,169	31.65	6,914	27.35	10,969	25.00
221-240	83.65	663	55.45	1,485	41.15	3,179	32.70	6,875	28.10	11,082	25.95
241-260	85.35	671	57.20	1,495	42.75	3,126	33.40	6,863	28.65	11,142	26.60
261-280	87.50	669	58.50	1,491	43.60	3,129	34.10	7,027	29.95	11,119	27.75
281-300	90.10	663	59.70	1,500	44.75	3,125	34.95	6,970	30.45	11,311	28.70
301-320	91.00	661	60.15	1,500	45.10	3,167	35.70	7,026	31.35	11,273	29.45
321-340	91.75	677	62.10	1,493	46.35	3,133	36.30	7,031	31.90	11,624	30.90
341-360	94.05	675	63.45	1,491	47.30	3,159	37.35	7,069	33.00	11,510	31.65
361-380	96.05	677	64.95	1,502	48.75	3,147	38.35	7,051	33.80	11,574	32.60
381-400	97.75	680	66.40	1,488	49.40	3,179	39.25	7,093	34.80	11,518	33.40
401-420	99.70	680	67.75	1,481	50.15	3,223	40.40	7,159	36.15	11,552	34.80
421-440	102.05	678	69.15	1,468	50.75	3,212	40.75	7,274	37.05	11,531	35.60
441-460	103.25	683	70.45	1,464	51.55	3,221	41.50	7,297	37.85	11,572	36.50
461-480	105.95	673	71.30	1,466	52.25	3,250	42.45	7,294	38.70	11,628	37.50
481-500	108.25	673	72.75	1,467	53.35	3,258	43.45	7,328	39.80	11,609	38.50
501-520	109.60	674	73.85	1,472	54.35	3,283	44.60	7,292	40.65	11,440	38.75
521-540	111.30	672	74.70	1,489	55.60	3,274	45.50	7,218	41.05	11,620	39.75
541-560	112.80	675	76.10	1,487	56.55	3,286	46.45	7,139	41.45	11,581	40.00
561-580	114.10	671	76.55	1,491	57.05	3,317	47.30	7,113	42.05	11,630	40.75
581-600	116.00	672	77.85	1,498	58.30	3,287	47.90	7,224	43.25	11,501	41.45

ISSUED 12/28/04

BY: KENTUCKY HOUSEHOLD GOODS CARRIERS ASSOCIATION, INC.

EFFECTIVE 1/28/05

SP-86

CORRIGATED BOX PRICES - PACKING MATERIAL

ACCORDING TO THE ATTACHED DOCUMENTS FROM VICTORY PACKAGING, INC. IN LOUISVILLE, WE HAVE EXPERIENCED A 14% INCREASE IN THE COST OF PACKING MATERIAL USED IN THE PROCESS OF PACKING AND PREPARING LOCAL AND INTRASTATE SHIPMENTS.

VICTORY IS THE LARGEST SUPPLIER OF BOXES FOR MOVERS IN KENTUCKY.

AX 3



VICTORY® PACKAGING

2101 PLANTSIDE DRIVE
LOUISVILLE, KY 40299
800-844-1202/FAX 800-853-5655

PLEASE REMIT TO:
PO Box 844150
Dallas, TX 75284-4150

INVOICE

INVOICE DATE	INVOICE NUMBER	PAGE
03/02/04	RS258AKY	1

4006800
SOLD TO: FISTER, INC #429
P O BOX 5063

F O BOX 5063

SHIP TO: FISTER, INC. #429
P O BOX 5063
2305 PALUNDO STREET

LEKINGTON, KY 40555-5063

COMMENTS

30 DAYS / NET 49
SALES ORDER NO. 1-735-DAM
SHIPMENT NO. 45L#FIS
SALESMAN

03/02/04
YOUR WAREHOUSE

ORDERED	UNIT	SHIPPED	ON BALANCE	DESCRIPTION	NUMBER	WEIGHT	QTY	TAX	UNIT PRICE	EXTENSION
300 EA	C	300 C	0	BOOK CARTON / FISTER	15#FIS		1	Y	0.4300	129.00
150 EA	C	150 C	0	MEDIUM CARTON / FISTER	30#FIS		2	Y	0.7700	115.50
150 EA	C	150 C	0	LARGE LAYDOWN / FISTER 24X18X18	45L#FIS		3	Y	0.9600	144.00
80 EA	C	80 C	0	DISH PACK / UNITED	51#UN	384.0	4	Y	1.7900	143.20
1 LOT	C	1 C	0	FUEL / ENERGY SURCHARGE	FSI		5	N	5.0000	5.00
10 EA	C	10 C	0	2-PC LAMP INNER	LAMP I		6	Y	1.9200	19.20
10 EA	C	10 C	0	LAMP 2-PC OUTER	LAMP O		7	Y	1.5100	19.10

SUBTOTAL 571.0
SALES TAX 33.9

PLEASE RETURN ONE COPY OF THIS INVOICE WITH YOUR PAYMENT TO INSURE PROMPT AND ACCURATE CREDIT TO YOUR ACCOUNT A 1.5% SERVICE CHARGE WILL BE MADE ON INVOICES 30 DAYS OR MORE PAST DUE.

AX 4



2101 PLANSIDE DRIVE
 LOUISVILLE, KY 40299
 800-844-1202/FAX 800-803-5653

PLEASE REMIT TO:
 PO Box 84150
 Dallas, TX 75284-4150

INVOICE
 INVOICE DATE: 12/14/04
 INVOICE NUMBER: R91052KY
 1

SOLD TO: FISTER, INC #429
 P O BOX 5063

SHIP TO: FISTER, INC. #429
 P O BOX 5063
 2305 PALUMBO STREET

LEXINGTON, KY 40555-5063

LEXINGTON, KY 40555-5063

CUSTOMER PURCHASE ORDER NO./RELEASE NO.

TERMS OF SALE: 30 DAYS/NET 60

DATE SHIPPED: 12/14/04

FOB POINT: YOUR WAREHOUSE

SALES ORDER NO. / SALES ORDER NO.
 SALES ORDER NO. / SALES ORDER NO.
 SALES ORDER NO. / SALES ORDER NO.

SHIPMENT NO. / SALESMAN
 1 / ME

ORDERED	UNIT	SHIPPED	QTY	BALANCE	DESCRIPTION	NUMBER	WEIGHT	ITEM	TAX	UNIT PRICE	EXTENSION
1	LOT	1	C	0	FUEL / ENERGY SURCHARGE	F51		10	Y	5.0000	5.00
120	SET	60	C	0	MIRROR 40X60 (4PCS)	M40		9	Y	2.6000	156.00
300	EA	300	C	0	BOOK CARTON / FISTER	15#FIS		1	Y	0.5000	150.00
150	EA	150	C	0	MEDIUM CARTON / FISTER	30#FIS		2	Y	0.8400	126.00
150	EA	150	C	0	LARGE LAYDOWN / FISTER 24X18X18	45L#FIS		3	Y	1.0000	150.00
80	EA	80	C	0	24" WARDROBE CARTON	WD24	640.0	5	Y	4.8600	388.80
80	EA	80	C	0	HANGER BAR - 24"	BAR24		6	Y	0.5400	43.20
40	EA	40	C	0	3/3 MATTRESS BOX	3/3		7	Y	3.7800	151.20
125	EA	125	C	0	PILLOW TOP KING/QUEEN SPLIT KGS-PT			8	Y	4.3200	540.00
80	EA	80	C	0	DISH PARK	51	384.0	11	Y	1.5600	148.80
<p>ROUTE TO APPROVED BY</p> <p>CHARGED TO</p> <p>ACCOUNT NO</p> <p>PAID</p> <p>1970.54</p>											
SUBTOTAL										1899.00	
SALES TAX										111.54	
TOTAL										2010.54	

PLEASE RETURN ONE COPY OF THIS INVOICE WITH YOUR PAYMENT TO INSURE PROMPT AND ACCURATE CREDIT TO YOUR ACCOUNT. A 1.5% SERVICE CHARGE WILL BE MADE ON INVOICES 30 DAYS OR MORE PAST DUE.

PAY THIS AMOUNT: 1970.54

AX5



July 7, 2004

To Our Valued Customers:

On Monday, June 21, 2004, Pulp & Paper Week published a \$35/ton increase for 42# Kraft linerboard and a \$45/ton increase for 26# Semi chemical medium. This increase pushes the current market price of linerboard and medium to an average of \$485/ton and \$455/ton respectively. In addition, we are being advised to expect another \$15 to \$25/ton increase in linerboard when Pulp & Paper Week publishes in the third week of July. Obviously, the amount and frequency of these increases is a cause for concern for all of us.

These price increases are a combination of strong demand for linerboard both domestically and abroad, and reduced capacity due to mill closures during the last several years. Currently, North American linerboard mills are operating at 98% of capacity and inventory levels are at 25 year lows.

Because of this recent development we are forced to announce a 3% increase on all corrugated products effective with orders placed on, or after August 15, 2004. We will monitor the markets and inform you if Pulp & Paper Week pricing increases again in July.

Please take a minute to look at the attached spreadsheet which shows historic pricing for linerboard. As you can see, linerboard prices are approaching historic highs and we would expect prices to move back towards the five year average of \$435/ton once inventory levels increase and the supply / demand ratio becomes balanced.

Announcing a price increase is never easy; however, we will do everything to continue to provide you with the very best in price and service in satisfying your packaging needs. If you have any questions, please do not hesitate to contact your sales representative. They will be happy to answer your questions and assist you in any way.

We thank you for your business and look forward to serving you in the future.

Best regards,

Pat Higgins
General Manager

2101 Plantside Drive
P.O. Box 99615
Louisville, KY 40269-0615
800.844.1202 • 800.853.5655 Fax

AX " 6 "



Gasoline and Diesel Fuel Update

Sign Up for Email Updates
Release Schedule

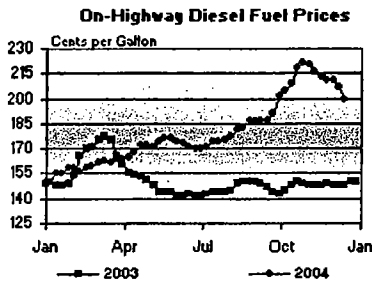
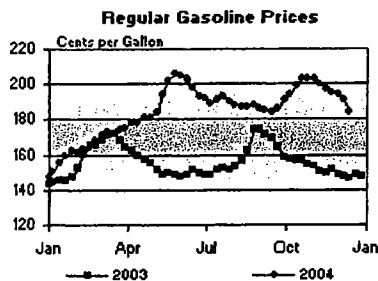
Home > Petroleum > Gasoline and Diesel Fuel Update

Gasoline

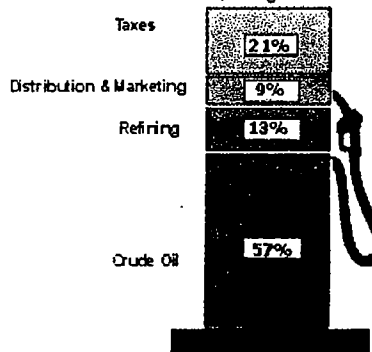
Diesel

History

U.S. Gasoline and Diesel Fuel Prices, 12/13/04



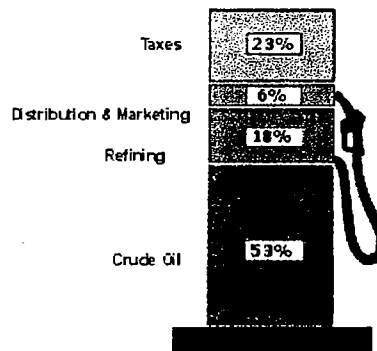
What We Pay For in a Gallon of Regular Gasoline (October 2004)
Retail Price: \$2.00/gallon



Methodology

Previous Months' Gasoline Pump Data

What We Pay For in a Gallon of Diesel (October 2004)
Retail Price: \$2.13/gallon



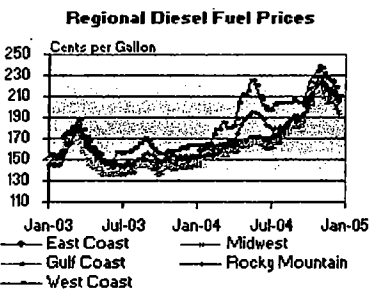
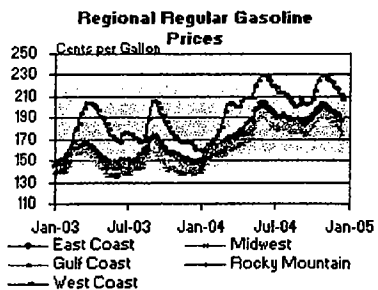
Methodology

Previous Months' Diesel Pump Data

Gasoline

Diesel Fuel

	Gasoline			Diesel Fuel		
	Cents per Gallon	Change from Week Ago	Change from Year Ago	Cents per Gallon	Change from Week Ago	Change from Year Ago
U.S.	184.7	↓ -6.4	↑ 38.2	199.7	↓ -7.2	↑ 51.1
East Coast	188.1	↓ -4.3	↑ 40.2	206.3	↓ -4.8	↑ 57.0
New England	190.9	↓ -4.4	↑ 37.4	220.6	↓ -2.8	↑ 58.3
Central Atlantic	192.3	↓ -3.9	↑ 38.1	218.4	↓ -3.6	↑ 58.2
Lower Atlantic	184.2	↓ -4.6	↑ 42.6	199.8	↓ -5.5	↑ 56.4
Midwest	172.9	↓ -10.3	↑ 31.5	195.3	↓ -8.0	↑ 49.9
Gulf Coast	176.1	↓ -5.1	↑ 37.9	191.0	↓ -8.5	↑ 47.3
Rocky Mountain	187.7	↓ -4.2	↑ 39.6	204.9	↓ -7.5	↑ 52.3
West Coast	206.6	↓ -5.4	↑ 46.2	209.7	↓ -8.4	↑ 45.8
California	213.5	↓ -5.7	↑ 51.1	213.8	↓ -8.7	↑ 44.7



Retail Gasoline Prices

This Week in Petroleum

World Petroleum Market Changes and Impact on U.S.

On-Highway Diesel Prices

Meeting U.S. Transportation Fuel Demand

Does EIA calculate diesel fuel surcharges?

Diesel Prices for Last 53 Weeks
24-hour hotline: 202-586-6966

A Primer on Gasoline Prices

Real Petroleum Prices

AX "7"



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[NEW Repair Directory](#)



[Financial Benchmark Group](#)

[2005 Annual Convention](#)

[Legislative Update](#)

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SDDC's Current Fuel Price Surcharge

Beginning May 15, 2001, the applicable Fuel Surcharge affecting SDDC rate solicitations will be determined based on the national U.S. average price of diesel fuel reported by the U.S. Department of Energy. To determine the DOE reported price, call the DOE Fuel Hotline at 202-586-6966 or visit the DOE Internet website at www.eia.doe.gov.

As information, the reported DOE prices and the applicable fuel adjustment (surcharge) affecting MTMC rate solicitations is listed below:

DOE Survey Date	DOE Reported Price	Effective Date of Fuel Adjustment	Fuel Adjustment (Percent) In Effect
12-06-04	206.9¢	12-15-04	8.0%
11-01-04	220.6¢	11-15-04	10.0%
10-04-04	205.3¢	10-15-04	8.0%
09-07-04	186.9¢	09-15-04	6.0%
08-02-04	178.0¢	08-15-04	5.0%
07-05-04	171.6¢	07-15-04	5.0%
06-07-04	173.4¢	06-15-04	5.0%
05-03-04	171.7¢	05-15-04	5.0%
04-05-04	164.8¢	04-15-04	4.0%
03-01-04	161.9¢	03-15-04	4.0%
02-02-04	158.1¢	02-15-04	3.0%
01-05-04	150.3¢	01-15-04	3.0%
12-01-03	147.6¢	12-15-03	2.0%
11-03-03	148.1¢	11-15-03	2.0%
10-06-03	144.5¢	10-15-03	2.0%
09-01-03	150.1¢	09-15-03	3.0%
08-04-03	145.3¢	08-15-03	2.0%
07-07-03	142.8¢	07-15-03	2.0%
06-02-03	142.3¢	06-15-03	2.0%
05-05-03	148.4 ¢	05-15-03	2.0%
04-07-03	155.4 ¢	04-15-03	3.0%
03-03-03	175.3 ¢	03-15-03	5.0%
02-03-03	154.2 ¢	02-15-03	3.0%
01-06-03	150.1 ¢	01-15-03	3.0%
12-02-02	140.7 ¢	12-15-02	2.0%
11-04-02	144.2 ¢	11-15-02	2.0%
10-07-02	146.0 ¢	10-15-02	2.0%
09-02-02	138.8 ¢	09-15-02	1.0%
08-05-02	130.4 ¢	08-15-02	1.0%
07-01-02	128.9 ¢	07-15-02	0.0%
06-03-02	130.0 ¢	06-15-02	0.0%
05-06-02	130.5 ¢	05-15-02	1.0%

AX "8"

04-01-02	129.5 ¢	04-15-02	0.0%
03-04-02	117.3 ¢	03-15-02	0.0%
02-04-02	114.4 ¢	02-15-02	0.0%
01-07-02	116.8 ¢	01-15-02	0.0%
12-03-01	119.4 ¢	12-15-01	0.0%
11-01-01	129.1 ¢	11-15-01	0.0%
10-01-01	139.0 ¢	10-15-01	1.0%
09-04-01	148.8 ¢	09-15-01	2.0%
08-06-01	134.5 ¢	08-15-01	1.0%
07-02-01	140.7 ¢	07-15-01	2.0%
06-04-01	151.4 ¢	06-15-01	3.0%
05-07-01	147.0 ¢	05-15-01	2.0%

When the DOE Fuel Price Per Gallon reported on the first Monday of the month is: **The MTMC Fuel Cost Adjustment Factor that becomes effective on the 15th day of the same month is:**

Less than \$1.30	0%
From \$1.301 to \$1.400	1.0%
From \$1.401 to \$1.500	2.0%
From \$1.501 to \$1.600	3.0%
From \$1.601 to \$1.700	4.0%
From \$1.701 to \$1.800	5.0%
From \$1.801 to \$1.900	6.0%
From \$1.901 to \$2.000	7.0%
From \$2.001 to \$2.100	8.0%
From \$2.101 to \$2.200	9.0%

[Return to Fuel Surcharge Main Page](#)

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PULP & PAPER PRICEWATCH LINERBOARD PRICES

LINERBOARD

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
JAN	405	435	420	460	425	340	390	350	475	480	320	330	360	355	410
FEB	405	425	415	480	440	375	380	315	450	480	320	330	360	345	390
MAR	425	425	415	460	475	387.5	380	310	420	480	350	330	360	340	380
APR	450	425	415	455	475	387.5	385	310	385	530	350	320	360	335	360
MAY	450	425	415	450	475	387.5	385	310	370	530	350	315	350	330	375
JUN	485	425	415	450	475	387.5	385	310	350	530	350	305	350	330	375
JUL	500	425	435	445	475	425	375	330	345	530	380	295	350	330	370
AUG	500	415	435	440	475	425	367.5	340	345	530	380	295	350	345	370
SEP	500	415	440	430	475	425	365	340	345	530	390	295	370	360	370
OCT		415	440	430	475	425	355	300	365	525	430	320	370	360	385
NOV		415	435	430	475	425	345	390	365	505	430	320	350	360	370
DEC		405	435	420	475	425	340	390	385	485	430	320	340	360	385

AX "9"

INSURANCE PREMIUMS - PROPERTY AND CASUALTY

ACCORDING TO THE ATTACHED LETTER FROM OUR INSURANCE CARRIER, VINCENT FISTER, INC. ANTICIPATES A SIX TO NINE PERCENT INCREASE IN OUR PROPERTY AND CASUALTY POLICIES.

THE LOCAL EQUIPMENT AND WAREHOUSE ASSIGNED TO LOCAL AND INTRASTATE SHIPMENTS WILL REALIZE A \$3,500 TO \$5,300 ANNUAL INCREASE.

AX "10"



March 30, 2005

Mr. Dennis Tolson
Vincent Fister, Inc.
P.O. Box 5063
Lexington, KY 40555-5063

RE: Property and Casualty Rate Increases – Renewal

Dear Dennis:

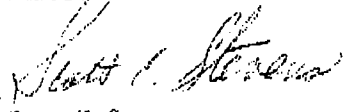
In anticipation of the upcoming renewal process for Vincent Fister, Inc., effective May 1, 2005, please be advised that the average Property and Casualty rate increases have ranged from six percent to nine percent over the last twelve months. The cost of medical care for injured employees, the cost of repairs to damaged vehicles, the cost of repairs to damaged furniture, and the cost of medical expenses related to automobile accidents, have all significantly increased.

In addition to the normal increases, primarily related to the services above, our industry has been handicapped by large personal injury expenses for pain and suffering primarily to injured third parties. All of these factors, in conjunction with increased operating expenses to administered policies, have all contributed to the above referenced increases.

Aegis Insurance Services hopes that this information is helpful to Vincent Fister, Inc., and your management as it pertains to the upcoming renewal process. We look forward to presenting to your management the renewal quotation.

Very Cordially,

AEGIS INSURANCE SERVICES, INC.


Scott C. Stevens
President

cc

AX "11"

COST FOR NEW FREIGHTLINER TRACTOR FOR VINCENT FISTER, INC.

2003 MODEL CL120	\$89,969.43
2004 MODEL CL120	\$95,167.48 (+\$5,198.05)
2005 MODEL CL120	\$98,885.00 (+\$3,717.52)

AX "12"

FREIGHTLINER OF KNOXVILLE, INC. ("Seller")

P.O. BOX 36010

KNOXVILLE, TN 37930-6010

Phone: (800) 443-2324

Fax: (865) 824-2421

John Graham
Salesperson

U00820

Stock Number

THIS AGREEMENT WHEN SIGNED BY PURCHASER AND A MANAGER OR OFFICER OF SELLER
CONSTITUTES A BINDING CONTRACT

NAME:	<u>Melbourne Leasing Co.</u>	DATE:	<u>03/24/05</u>
ADDRESS:	<u>2305 Palumbo Dr.</u>	PHONE:	<u>(858) 288-2153</u>
CITY:	<u>Lexington</u> COUNTY: _____	STATE:	<u>NY</u> ZIP: <u>40502</u>
N/U:	<u>NEW YEAR: 2005 MAKE: FTL</u>	MODEL:	<u>CL120</u>
VIN:	<u>1FUJABCK85LU00820</u>	PRICE:	<u>888,238.52</u>


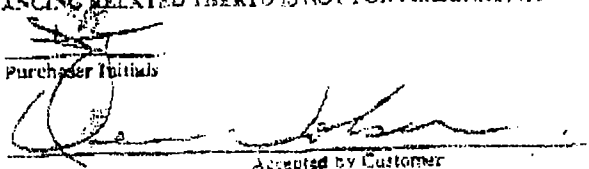
Total from Addendum ... <input type="checkbox"/> SEE ADDENDUM FOR ADDITIONAL EQUIPMENT	<u>888,238.52</u>
Warranties: <u>None</u>	<u>\$0.00</u>
Warranties: <u>None</u>	<u>\$0.00</u>
Insurance Premiums(See Disclosure for Details): _____	<u>\$0.00</u>
Vendor Fees: _____	<u>\$0.00</u>
Administrative Fee to Freightliner of Knoxville, Inc.	<u>\$250.00</u>
Knoxville/Knoz County Business Tax	<u>\$128.48</u>
State/Local Sales Tax: <u>Exempt-Out of State</u>	<u>\$0.00</u>
TOTAL SELLING PRICE	<u>888,535.00</u>

TRADE ALLOWANCE	<u>\$0.00</u>
Year: <u>0</u> Make: _____	
Model: _____ VIN: _____	
TRADE PAYOFF	<u>\$0.00</u>
To: _____	
Good Through: _____ By: _____	
NET TRADE ALLOWANCE	<u>\$0.00</u>

NET TRADE DIFFERENCE	<u>888,535.00</u>
Deposit	<u>\$0.00</u>
Cash on Delivery	<u>888,535.00</u>
Rebate: <u>N/A</u>	<u>\$0.00</u>
Other: <u>N/A</u>	<u>\$0.00</u>
TOTAL CASH DOWN PAYMENT	<u>888,535.00</u>

UNPAID CASH BALANCE	<u>\$0.00</u>
Estimated Payments of <u>\$0.00</u> AND <u>0</u> Payment(s) of <u>\$0.00</u>	

PURCHASER HEREBY REPRESENTS THAT THIS PURCHASE AND ANY FINANCING RELATED THERTO IS NOT FOR PERSONAL, HOUSEHOLD OR CONSUMER USE, BUT IS FOR BUSINESS OR COMMERCIAL USE.

 _____ Accepted by Sales Manager/Officer

 _____ Purchaser Initials

 _____ Accepted by Customer

SEE ADDITIONAL TERMS INCLUDING DISCLAIMER OF WARRANTY AND LIMITATION OF LIABILITY ON REVERSE

AX "13"

Freightliner of Knoxville, Inc.

P.O. Box 6479
Knoxville, TN 37914-0479
Phone: (865) 824-2400 Fax: (865) 523-0380

FINANCE DEPARTMENT Use Only

NAME McBourne Leasing Co.
ADDRESS 230 S Palumbo AVE
CITY Lexington COUNTY _____

DATE 7-31-02
PHONE 859-335-0654
STATE Ky ZIP 40509

YEAR 03 MAKE Freightliner MODEL CL130

VIN 1FWTA6CG83LK55147

Selling Price

\$ 90,713.⁰⁰

Accessories

\$ _____

Selling Price including Accessories

\$ _____

Knoxville City/County Business Tax (0.2%)

\$ 181.⁴³

Administrative Fee

\$ 75.⁰⁰

Sales Tax or Exempt / ICC # _____

\$ _____

For _____

TOTAL SELLING PRICE

\$ 90,969.⁴³

Trade Allowance: Yr _____ Make _____

\$ _____

Model _____ VIN _____

\$ _____

Payoff to _____

\$ _____

Quoted by _____ Good Thru _____

NET TRADE ALLOWANCE

\$ < -0 >

NET TRADE DIFFERENCE

\$ 90,969.⁴³

Cash Deposit

\$ 1,000.⁰⁰

Cash on Delivery

\$ _____

Rebate

\$ _____

Other

\$ _____

TOTAL CASH PAID

\$ < 2 >

UNPAID CASH BALANCE

\$ 89,969.⁴³

_____ PAYMENTS OR _____ PAYMENTS + _____ % BALLOON RESIDUAL

DISCLAIMER OF WARRANTY: Unless and except and expressly provided by this purchase order or by separate written instrument attached hereto, seller disclaims all warranties, either express or implied, including any implied warranty of merchantability or fitness for a particular purpose. No other representations have been made by any employee of selling dealer.

[Signature]

Customer Initials

[Signature]

TOTAL = .02

AX "14"

FREIGHTLINER OF KNOXVILLE, INC. ("Seller")

P.O. BOX 36010

KNOXVILLE, TN 37930-6010

Phone: (800) 443-2324

Fax: (865) 824-2421

John Gisbarn
Salesperson

MS9404
Stock Number

THIS AGREEMENT WHEN SIGNED BY PURCHASER AND A MANAGER OR OFFICER OF SELLER
CONSTITUTES A BINDING CONTRACT

NAME: Malbourne Leasing Co DATE: 3/16/04
 ADDRESS: 2305 Palumbo Ave PHONE: 858-335-0854
 CITY: Lexington COUNTY: _____ STATE: KY ZIP: 40502
 N/U: New YEAR: 2004 MAKE: FTL MODEL: CL120
 VIN: 1FLUABCK54LM39404 PRICE: 924,728.00

Total from Addendum ... <input type="checkbox"/> SEE ADDENDUM FOR ADDITIONAL EQUIPMENT	\$94,728.00
Warranties: <u>None</u>	\$0.00
Warranties: <u>None</u>	\$0.00
Insurance Premium(See Disclosure for Details): _____	\$0.00
Vendor Fees: _____	\$0.00
Administrative Fee to Freightliner of Knoxville, Inc.	\$250.00
Knoxville/Knox County Business Tax	\$189.48
State/Local Sales Tax: <u>Exempt-Out of State</u>	\$0.00
TOTAL SELLING PRICE	\$95,167.48

TRADE ALLOWANCE \$0.00

Year: 0 Make: _____

Model: _____ VIN: _____

TRADE PAYOFF \$0.00

To: _____

Good Through: _____ By: _____

NET TRADE ALLOWANCE \$0.00

NET TRADE DIFFERENCE \$95,167.48

Deposit \$0.00

Cash on Delivery \$95,167.48

Rebate: N/A \$0.00

Other: N/A \$0.00

TOTAL CASH DOWN PAYMENT \$95,167.48

UNPAID CASH BALANCE \$0.00

Estimated Payments of \$0.00 AND Payment(s) of \$0.00

PURCHASER HEREBY REPRESENTS THAT THIS PURCHASE AND ANY FINANCING RELATED THERTO IS NOT FOR PERSONAL, HOUSEHOLD OR CONSUMER USE, BUT IS FOR BUSINESS OR COMMERCIAL USE.

[Signature]
Purchaser Initials

[Signature]
Accepted by Sales Manager/Officer

[Signature]
Accepted by Customer

SEE ADDITIONAL TERMS INCLUDING DISCLAIMER OF WARRANTY AND LIMITATION OF LIABILITY ON REVERSE

AX "15"
~~15~~

FUEL COST PER GALLON FOR VINCENT FISTER, INC. SINCE 6/15/04 SIX PERCENT FUEL SURCHARGE IN KYDVR 5.

	Avg. Cost per gallon -	Diesel	Unleaded
JULY '04		\$1.716	\$1.829
AUG. '04		\$1.899	\$1.999
SEPT. '04		\$1.859	\$1.819
OCT. '04		\$2.119	\$1.969
NOV. '04		\$2.239	\$1.819
DEC. 04		\$2.074	\$1.604
JAN. '05		\$2.106	\$1.639
FEB. '05		\$2.02	\$1.834

AX-16

F/C
TRUCK

863
69973

PN 67
399 RICHMOND RD
EXINGTON KY

2/14/85 89:23
TN # 47775341

P OIL
886

NV # 8923868888
REF # 4888864811
CREDIT 986929
PUMP#04 REG
GALLONS 14.468
@ \$1.729/GAL
FUEL \$25.08

TL/NOTAX \$25.00
TAX PD \$8.00
TOTAL \$25.00

THANK YOU
FOR CHOOSING BP!

A-17-1

2767234-01
FASTRACK #1
800 C-VILLE BYPASS
CAMPBELLSVILLE KY

Descr.	Qty	Amount
<CUSTOMER COPY>		
DIES CA #09	12.4166	23.58
SELF @ 1.899/6		
Sub Total		23.58
Tax		0.00
TOTAL		23.58

CREDIT \$ 23.58
BPAMOCO FLEET RCPT
00 178754 REF 54762018

PROD CD: 07

SIGNATURE ON FILE
THANKS, COME AGAIN
REG# 0002 CSH# 010 DR# 01 TRN# 24404
02/17/05 17:38:31 STA FT1

A-17-2

MAPLELEAF BP
3100 MAPLELEAF
LEXINGTON, KY

01/27/05 86:26
STA # 47939347

BP OIL
7987
INV # 88182180.5
REF # 4888876825
CREDIT 628721
PUMPH1 REGNL
GALLONS 30.944
@ \$1.939/GAL
FUEL \$60.00

TL/NOTAX \$60.00
TAX PD \$8.00
TOTAL \$68.00

EARN FREE GAS
GET A BP VISA
THANK YOU

882
A-17-1
71956

A-17-3

810 NEW STIRACLE RD
LEXINGTON KY
69335-2

PROCESSED
BY
DATE

PROCESSED DATE
MIS ON 01 2 14 05

Sub Total 23.58
Tax 0.00
TOTAL 23.58

CREDIT \$ 23.58

THANKS, COME AGAIN

REG# 0002 CSH# 010 DR# 01 TRN# 24404
02/17/05 17:38:31 STA FT1

A-17-4

A-17-5

THANK YOU
VISIT US AT
WWW.SPEEDWAY.COM

SUPERAMERICA 9397
1281 NEW CIRCLE RD
LEXINGTON, KY

POSTPAY FUEL SALE: 58.00
Pumped: # 9 #2 Diesel - SELF
25.904 Gallons @ \$2.239/Gal

SUBTOTAL: 58.00
TAX: 0.00
TOTAL: 58.00

SPEEDWAY : 58.00
CHANGE: 0.00

THANKS FOR USING YOUR
SPEEDY REWARDS CARD

Autthth

0298801 11/05/04 17:46:55
By: ICR 9 11/05/2004 17:46
SSA
Card Number
XXXXXXXXXXXX0079

TERM: 0050009397001
APPR#: 249651 B
SEQ#: 310040153

Cardholder agrees to
pay to issuer total
charges per the
agreement between
cardholder & issuer.

A-17-6

Thanks for shopping the
convenience
stores of Speedway.
SPEEDWAY 9658
LEXINGTON KY
PUMP# 7 CREDIT SELF
Unlead B @ \$1.729/Gal
VOLUME 11.571 GAL

GAS TOTAL \$ 20.01
TOTAL \$ 20.01

THANKS FOR USING YOUR
SPEEDY REWARDS CARD

11/17-2004 11:31
SSA
Card Number
XXXXXXXXXXXX0020

TERM: 0050009658001
APPR#: 920449 B
SEQ#: 322010154

Cardholder agrees to
pay to issuer total
charges per the
agreement between
cardholder & issuer.

VISIT US AT
WWW.SPEEDWAY.COM OR
SPEEDYREWARDS.NET
SPEEDY REWARDS
MEMBERS YOUR UPDATED
POINTS ARE AVAILABLE AT
THE IN-STORE TERMINAL

A-17-7

Thanks for shopping the
convenience
stores of Speedway.
SPEEDWAY 9397
LEXINGTON KY
PUMP# 8 CREDIT SELF
Unlead B @ \$1.799/Gal
VOLUME 12.608 GAL

GAS TOTAL \$ 22.50
TOTAL \$ 22.50

THANKS FOR USING YOUR
SPEEDY REWARDS CARD

11/10-2004 17:00
SSA
Card Number
XXXXXXXXXXXX0020

TERM: 0050009397001
APPR#: 253548 B
SEQ#: 315053218

Cardholder agrees to
pay to issuer total
charges per the
agreement between
cardholder & issuer.

VISIT US AT
WWW.SPEEDWAY.COM OR
SPEEDYREWARDS.NET
SPEEDY REWARDS
MEMBERS YOUR UPDATED
POINTS ARE AVAILABLE AT
THE IN-STORE TERMINAL

A-17-8

THANK YOU
VISIT US AT
WWW.SPEEDWAY.COM

SUPERAMERICA 9397
1281 NEW CIRCLE RD
LEXINGTON, KY

POSTPAY FUEL SALE: 58.00
Pumped: #10 #2 Diesel - SELF
27.065 Gallons @ \$2.089/Gal

SUBTOTAL: 58.00
TAX: 0.00
TOTAL: 58.00

SPEEDWAY : 58.00
CHANGE: 0.00

THANKS FOR USING YOUR
SPEEDY REWARDS CARD

0942343 12/03/04 17:55:59
By: ICR10 12/03/2004 17:55
SSA
Card Number
XXXXXXXXXXXX0079

TERM: 0050009397001
APPR#: 627573 B
SEQ#: 338012231

Cardholder agrees to
pay to issuer total
charges per the
agreement between
cardholder & issuer.

A-17-9

Thanks for shopping the convenience of Speedway.
www.Speedway.com
LEXINGTON, KY

Unleaded B @ \$1.929/g
VOLUME 15.551 GAL

GAS TOTAL \$ 30.00
TOTAL \$ 30.00

11/03/2004 12:42
SSA
Card Number
XXXXXXXXXXXX0129

TERM: 005000965001
APPR#: 943606 B
SEQ#: 308075165

Cardholder agrees to pay to issuer total charges per the agreement between cardholder & issuer.

VISIT US AT
WWW.SPEEDWAY.COM OR
SPEEDYREWARDS.NET
SPEEDY REWARDS
MEMBERS YOUR UPDATED
POINTS ARE AVAILAELE AT
THE IN-STORE TERMINAL

F-150 Pickup

A-17-10

THANK YOU
VISIT US AT
WWW.SPEEDWAY.COM

SUPERAMERICA 9395
2301 PAIRS PIKE
LEXINGTON, KY

POSTPAY FUEL SALE: 88.61
Pumped: # 8 Unleaded Blend Et - SELF
45.001 Gallons @ \$1.969/Gal

SUBTOTAL: 88.61
TAX: 0.00
TOTAL: 88.61

SPEEDWAY : 88.61
CHANGE: 0.00

087026 10/15/04 08:56:59
by: ICR 8 10/16/2004 08:56
ISA
Card Number
XXXXXXXXXX0137

ERM: 0050009395001
PPR#: 413604 B
SEQ#: 290052026

Cardholder agrees to pay to issuer total charges per the agreement between cardholder & issuer.

A-17-11

THANK YOU
VISIT US AT
WWW.SPEEDWAY.COM

SUPERAMERICA 9395
2301 PAIRS PIKE
LEXINGTON, KY

POSTPAY FUEL SALE: 88.61
Pumped: # 8 Unleaded Blend Et - SELF
45.001 Gallons @ \$1.969/Gal

SUBTOTAL: 88.61
TAX: 0.00
TOTAL: 88.61

SPEEDWAY : 88.61
CHANGE: 0.00

087026 10/16/04 08:56:59
by: ICR 8 10/16/2004 08:56
ISA
Card Number
XXXXXXXXXX0137

ERM: 0050009395001
PPR#: 413604 B
SEQ#: 290052026

Cardholder agrees to pay to issuer total charges per the agreement between cardholder & issuer.

A-17-12

THANK YOU
VISIT US AT
WWW.SPEEDWAY.COM

SUPERAMERICA 9397
1281 NEW CIRCLE RD
LEXINGTON, KY

POSTPAY FUEL SALE: 21.25
Pumped: # 6 Unlead Blend Et - SELF
12.968 Gallons @ \$1.639/Gal

SUBTOTAL: 21.25
TAX: 0.00
TOTAL: 21.25

SPEEDWAY : 21.25
CHANGE: 0.00

THANKS FOR USING YOUR
SPEEDY REWARDS CARD

0005716 01/14/05 17:32:59
By: ICR 6 01/14/2005 17:32
SSA

Number
XXXXXXXX0020

TERM: 005009387001
APPR#: 134754 B
SEQ#: 014020128

Cardholder agrees to
pay to issuer total
charges per the
agreement between
cardholder & issuer.

A-17-13

THANK YOU
VISIT US AT
WWW.SPEEDWAY.COM

SUPERAMERICA 9397
1281 NEW CIRCLE RD
LEXINGTON, KY

POSTPAY FUEL SALE: 21.25
Pumped: # 6 Unlead Blend Et - SELF
12.968 Gallons @ \$1.639/Gal

SUBTOTAL: 21.25
TAX: 0.00
TOTAL: 21.25

SPEEDWAY : 21.25
CHANGE: 0.00

THANKS FOR USING YOUR
SPEEDY REWARDS CARD

0005716 01/14/05 17:32:59
By: ICR 6 01/14/2005 17:32
SSA

Card Number
XXXXXXXXXX0020

TERM: 005009387001
APPR#: 134754 B
SEQ#: 014020128

Cardholder agrees to
pay to issuer total
charges per the
agreement between
cardholder & issuer.

256044
#843

PURCHASE RECEIPT

233318
#843

PURCHASE RECEIPT 12/22/24

853
146720

PURCHASE RECEIPT

VINCENT FOSTER INC
12/22/24
3005 MAPLE LEAF DR
LEWISTON ME 04240
PHONE: 577-5841
ALCOA 661 67.552 @ 2.019 79.82

3005 MAPLE LEAF DR
LEWISTON ME 04240
PHONE: 577-5841
ALCOA 661 67.552 @ 2.019 79.82

3005 MAPLE LEAF DR
LEWISTON ME 04240
PHONE: 577-5841
ALCOA 661 67.552 @ 2.019 79.82

3005 MAPLE LEAF DR
LEWISTON ME 04240
PHONE: 577-5841
ALCOA 661 67.552 @ 2.019 79.82

INVA 2001453001 @ SALES TAX \$ 6.20
ALCOA 4200145300 4001631721 \$ 75.82

INVA 2001453001 @ SALES TAX \$ 6.20
ALCOA 4200145300 4001631721 \$ 75.82

Richard Meyer

Richard Meyer

Richard Meyer

A-17-14

A-17-15

A-17-16

836

326395



PURCHASE RECEIPT
VINCENT FOSTER INC
3005 MAPLE LEAF DR
LEWISTON ME 04240
PHONE: 577-5841
ALCOA 661 67.552 @ 2.019 79.82

INVA 2001453001 @ SALES TAX \$ 6.20
ALCOA 4200145300 4001631721 \$ 75.82

935773
843

Richard Meyer

PA 67
2399 RICHMOND RD
LEXINGTON KY

12/30/04 08:25
STN # 47775341

BP OIL
918
INV # 0015170012
REF # 4000245024
CREDIT 329816
DIES CR REG
REG 35.618
@ \$1.819/GAL
TAX \$57.65

TL/NOTAX \$57.55
TAX PD \$8.00
TOTAL \$57.65

THANK YOU
FOR CHOOSING BP!

823

249247

A-17-17

499480

THANKS FOR SHOPPING DOUBLE KWIK

Descr.	QTY	AMOUNT
<i><CUSTOMER COPY></i>		
DIES CR #10	25.8416	47.66
	@ 1.999/ GAL	
Sub Total		47.66
Tax		0.00
TOTAL		47.66
CREDIT \$		47.66
PURCHASE RECEIPT 12/29/04		

VINCENT FISTER INC
CS7918
INV# 14414300008
REF# 4000173019 APPR: 666218
KY 114 EAST
SALYERSVILLE KY STN:47074943
PLEASE COME AGAIN
REG# 0001 CSH# 007 DR# 01 TRAN# 15412
12/29/04 14:41:39 STN 2062

826

499318

TOBACCO ROAD 17
3100 MAPLELEAF
LEXINGTON, KY

12/27/04 12:24
STN # 47930947

BP OIL
7815

INV #	1224	10014
REF #	4000	57057
CREDIT	98	816
PUMP#10		DIESEL
GALLONS		25.126
@ \$2.11		GAL
FUEL		\$56.14

TL/NOTAX \$56.14
TAX PD \$8.00
TOTAL \$56.14

EARN FREE GAS
GET A BP/VISA
THANK YOU

A-17-18

A-17-19

A-17-20

TL/NOTAX	\$20.00
TAX PD	\$8.00
TOTAL	\$28.00
THANK YOU FOR CHOOSING BP!	
BP OIL	7906
12/30/04	10:14
STN #	47775341
BP# 67	
2399 RICHMOND RD	
LEXINGTON KY	
INV #	10134990011
REF #	4000054019
CREDIT	875697
PUMP#07	
GALLONS	12.586
@ \$1.589/GAL	
FUEL	\$20.00

Fletcher

Local Job

F/C truck

8AS

881036

DOUBLE KWIK
NICHOLASVILLE, KY
859-887-5556

TOBACCO ROAD 172
3188 MAPLELEAF
LEXINGTON, KY

TOBACCO ROAD 172
100 MAPLELEAF
LEXINGTON, KY

07/14/04 89:47
STN # 47939947

09/23/04 14:52
STN # 47939947

BP OIL
7813

Descr.	qty	amount
<CUSTOMER COPY>		
DIES CR #13	47.4926	78.31
	@ 1.649/ G	

BP OIL
7885

INV # 0947110813
REF # 4088825866
CREDIT 547342
PUMPS 9 DIESEL
GALLONS 17.156
@ \$1.749/GAL \$30.81
FUEL

INV # 1451488819
REF # 4088844813
CREDIT 116145
PUMPS 6 REGUNL
GALLONS 11.207
@ \$1.829/GAL \$20.58
FUEL

Sub Total 78.31
Tax 0.00

TL/NOTAX \$28.58
TAX PD \$0.00
TOTAL \$28.58

TOTAL 78.31
CREDIT \$ 78.31

TL/NOTAX \$30.81
TAX PD \$0.00
TOTAL \$30.81

PURCHASE RECEIPT 07/09/04

EARN FREE GAS
GET A BP/VISA
THANK YOU

EARN FREE GAS
GET A BP/VISA
THANK YOU

VINCENT FISTER INC / exp: 07/03
057014
INUM 08451700006
REF# 4000163007 APPR: 199011
4000 CATNIP HILL RD
NICHOLASVILLE KY STN:47121249

A-17-23

A-17-21

THANKS FOR STOPPING
GET IT ON THE DOUBLE
REG# 0001 OSHA OIL DR# 01 TRAW# 15408
07/09/04 08:45:11 ST# 1062

A-17-22

A-17-24

Handwritten signature

3108 MAPLE LEAF DR
LEXINGTON KY 40503
859-887-5556

836445
M: 310574

86429

BP 66
310 NEW CIRCLE RD
LEXINGTON KY
606 254 4738

Descr.	qty	amount
(CUSTOMER COPY) DIES SA PCS @ 1.899/ G	25.2756	48.00
Sub Total		48.00
Tax		0.00
TOTAL		48.00

CREDIT \$ 48.00
PURCHASE RECEIPT 08/11/04
VINCENT FISTER INC
37010
exp: 07/03

NUM 09433400005
REF# 4000185014 APPR: 966818
310 NEW CIRCLE NE
LEXINGTON KY
STN: 4777494E
THANKS, COME AGAIN
REG# 0001 CSH# 009 DR# 01 TRAN# 11437
08/11/04 08:43:31 ST# 56

A-17-25

8AS

DOUBLE KNIX
NICHOLASVILLE, KY
859-887-5556

Descr.	qty	amount
(CUSTOMER COPY) DIES CR #15 @ 1.649/ G	24.2566	40.00
Sub Total		40.00
Tax		0.00
TOTAL		40.00

CREDIT \$ 40.00
PURCHASE RECEIPT 07/27/04
exp: 07/03

C37013
INV# 07541400018
REF# 4000159058 APPR: 780002
4000 GATNIP HILL RD
NICHOLASVILLE KY
STN: 47121249

**THANKS FOR STOPPING
GET IT ON THE DOUBLE**
REG# 0002 CSH# 011 DR# 01 TRAN# 26202
07/27/04 07:54:11 ST# 1062

A-17-26

88429

WELCOME TO
TIMBERHYTE
TOBACCO ROAD 211

Descr.	qty	amount
(CUSTOMER COPY) DIES CR #16 @ 1.899/ G	20.0006	38.00
Sub Total		38.00
Tax		0.00
TOTAL		38.00

CREDIT \$ 38.00
PURCHASE RECEIPT 08/11/04

VINCENT FISTER INC
37010
NUM 1152400005
REF# 4000178007 APPR: 778004
310 NEW CIRCLE NE
LEXINGTON KY
STN: 47121249
THANKS, COME AGAIN
REG# 0001 CSH# 009 DR# 01 TRAN# 11437
08/11/04 08:43:31 ST# 56

A-17-27

220119
835-429

F/C TRUCK

853
139949

393 RICHMOND RD
LEXINGTON KY

9/10/04 09:37
IN # 47775341

BP OIL
1986

INV # 8937870888
REF # 4888821020
CREDIT 137137
PUMP#04 REG
GALLONS 12.843
@ \$1.869/GAL
FUEL \$24.00

TL/NOTAX \$24.00
TAX PD \$0.00
TOTAL \$24.00

THANK YOU
FOR CHOOSING BP!

A-17-28

AMOCO FLEET CREDIT RECEIPT
09/03/04 17:33:30 DIRM 3658837 110: 01
ALCT *****959087007
PERMITS BP BELLA KY 40403
PROD CODE 07
GAL 39.839 US1/SELF @ \$1.819 \$ 72.47
TOTAL SALE \$ 72.47
EXP 03/07 REPRINT UD REF 017707-40551004

SIGNATURE 139161

CARD HOLDER ACKNOWLEDGES RECEIPT OF
THE GOODS AND/OR SERVICES IN THE AMOUNT
OF THE TOTAL SHOWN AND AGREES TO THE
OBLIGATIONS SET FORTH IN THE CARD
HOLDER'S AGREEMENT.

THANK YOU FOR CHOOSING AMOCO

853

A-17-29

TOBACCO RD. 172
1467 W. LEXINGTON KY
WINCHESTER, KY
859-744-1870

09/03/04 17:33:30
CUSTOMER ID#
DATE OF BIRTH 10/10/48
@ 1.869/GAL
TOTAL
CREDIT
PURCHASE RECEIPT
AMOCO FLEET CREDIT RECEIPT
09/03/04 17:33:30
DIRM 3658837 110: 01
ALCT *****959087007
PERMITS BP BELLA KY 40403
PROD CODE 07
GAL 39.839 US1/SELF @ \$1.819 \$ 72.47
TOTAL SALE \$ 72.47
EXP 03/07 REPRINT UD REF 017707-40551004

A-17-30

A-17-31

TL/NOTAX \$23.00
TAX PD \$0.00
TOTAL \$23.00
EARN FREE GAS
GET A BP/VIISA
THANK YOU
INV # 8901358812
REF # 4888879848
CREDIT 883953
PUMP#08 REGUNL
GALLONS 13.882
@ \$1.769/GAL
FUEL \$23.00

TOBACCO ROAD 172
3100 MAPLELEAF
LEXINGTON, KY
09/08/04 09:31
SIM # 47939997
BP OIL
2985

F/C TRUCK

330907

#843

871

871

179655

DOUBLE KWIK
NICHOLASVILLE, KY
859-887-5556

179173

RICHMOND RD.
STON, KY 40389
859-258-8908

DESCR. QTY AMOUNT

CREDIT \$ 49.00

Sub Total 49.00
Tax 0.00
TOTAL 49.00

PURCHASE RECEIPT 10/27/04

DESCR. QTY AMOUNT

<CUSTOMER COPY>
DYES CR #15 23.3466 49.00
@ 2.0997/g

Sub Total 49.00
Tax 0.00
TOTAL 49.00

CREDIT \$ 49.00
PURCHASE RECEIPT 10/27/04

CS7013 exp: 07/03
INV# 10055200016
REF# 4000179027 APPR: 547238
4000 CATNIP HILL RD
NICHOLASVILLE KY STN:47121249

THANKS FOR STOPPING
GET IT ON THE DOUBLE
REF# 0002 CS# 011 DR# 01 TRANK 20041
10/27/04 10:06:48 ST# 1062

A-17-35

A-17-32

A-17-33

853

142301

SPANOCO FLEET ACPT
10/10/04 14:05:55 CLAN 008240 10391
VINCENT FLEET INC
AIRPORT FORD MAR LEXINGTON, KY 40510
PROD CODE:87 Diesel Fuel

GAL 58.193 DOLL 57.4 @ 42.157 = 23.46
TOTAL SALE \$82.46
TRANK 100 FOR CHOOSING BRCCP

EST COMP - NEWMONT AND COP CUSTOMER

A-17-34

The past 12 months have seen a number of changes in the Dedicated Services area. The new management team is led by Bill Beard, who is assisted by Shawn Gilligan (CareVan program) and Derek Komorech (Car Carrier and Peak fleets). Peak fleet staffing will be expanded during the peak season through the "borrowing" of experienced operations staff from other departments. In addition to a strengthened management team, Dedicated Services' business plan has been revised as it relates to peak-season volume. In contrast to its largely "reactive" approach in previous years, during 2004 Dedicated Services took a more proactive view to the loading of leased trailers. This enabled the system to work more efficiently in terms of capacity and time. With the expectation of another strong summer, this approach will be expanded to the CareVan program. We will be selecting shipments for this mode of transportation earlier in the life of the orders. These under-4,000-pound shipments constituted more than 80% of the shipments in backlog by the end of August last year. The new Dedicated Services approach is expected to provide an avenue for increased capacity to control the backlog.

AGENCY DEVELOPMENT UPDATE

The UniGroup Agency Development department has reviewed the overall performance of agents based on the quality initiative criteria established at last spring's Strategic Planning meeting. Following the quality mandate from that meeting, a total of 11 agents from both van lines have been identified for quality improvement. The associated processes and procedures are well under way.

NEW MEXICO MOVES TO AREA C

Historically, New Mexico has been a very challenging state to service due to a variety of factors, including its location, a lack of large haulers, and our frequent need to plan New Mexico tonnage on vans originating on the West Coast. These factors have combined to negatively impact the G-11 rates and on-time service of shipments originating in that state. As Area B volume continues its significant upward trend, the decision has been made to transfer the planning responsibilities for shipments originating in New Mexico to Area C. We expect this realignment to have a positive impact on our service levels. The surrounding areas (B and D) will continue to assist the Area C planners in covering New Mexico tonnage, but Area C will have the ultimate responsibility for servicing that state.

MARCH FUEL PRICE FROM AMSA

The Department of Energy's diesel price reported by AMSA on Monday, Feb 28, was \$2.118 per gallon, up 7% from the previous month's price of \$1.983. At a January meeting, OPEC decided to maintain an agreed-upon production level through the first quarter of 2005. However, continued growth in demand in the United States, both seasonally and year-over-year, is expected to increase average monthly prices to over \$2.00 by spring. The surcharge trigger date for March was Monday, March 7. (Since the AMSA newsletter was published, the cost of fuel has increased and appears headed for an all-time

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high. Gasoline at the pump is projected to hit an average of \$2.50 per gallon across the nation, with high-cost areas significantly above that figure.)

DRIVER SHORTAGE CAUSING COMPANIES TO ENHANCE PAY, BENEFITS

According to information obtained from the ATA, over-the-road truck drivers can expect to start at \$35,000, with 401K matches and \$5,000 signing bonuses. The unprecedented shortage of drivers is blamed on the HOS rules, high turnover rates, and the challenging lifestyle. Schneider National recently announced what it called the largest pay increase in its 70-year history. Owner-operators and company drivers at Schneider will receive an annual pay increase of \$4,000 a year. Industry experts expect this trend to continue, although some question whether carriers are doing more to hire away one another's drivers than to address the underlying shortage. (The ATA is reporting that the average driver pay is now \$43,000 per year. It also reports that the trucking industry paid \$10 billion more for insurance in 2004 than in 2003.)

LABOR



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Embargoed for release until: Thursday, September 9, 2004, 9:30 a.m. ET

For further information contact: Craig Palosky (202) 347-5270 Chris Peacock (650) 854-9400

Survey Shows Private Health Insurance Premiums Rose 11.2% in 2004

Premiums Increased at Five Times The Rate of Growth in Workers' Earnings and Inflation

About Five Million Fewer Workers Covered By Their Own Employer's Health Insurance Since 2001

Washington, DC - Employer-sponsored health insurance premiums increased an average of 11.2% in 2004 -- less than last year's 13.9% increase, but still the fourth consecutive year of double-digit growth, according to the 2004 Annual Employer Health Benefits Survey released by the Kaiser Family Foundation and Health Research and Educational Trust (HRET). Premiums for employer-sponsored health insurance rose at about five times the rate of inflation (2.3%) and workers' earnings (2.2%).

In 2004, premiums reached an average of \$9,950 annually for family coverage (\$829 per month) and \$3,695 (\$308 per month) for single coverage, according to the new survey. Family premiums for PPOs, which cover most workers, rose to \$10,217 annually (\$851 per month) in 2004, up significantly from \$9,317 annually (\$776 per month) in 2003. Since 2000, premiums for family coverage have risen 59%.

The survey also found that the percentage of all workers receiving health coverage from their employer in 2004 is 61%, about the same as in 2003 (62%) but down significantly from the recent peak of 65% in 2001. As a consequence, there are at least 5 million fewer jobs providing health insurance in 2004 than 2001. A likely contributing factor is a decline in the percentage

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of small employers (three to 199 workers) offering health insurance over this period. In 2004, 63% of all small firms offer health benefits to their workers, down from 68% in 2001.

"The cost of family health insurance is rapidly approaching the gross earnings of a full-time minimum wage worker," said Drew Altman, President and CEO of the Kaiser Family Foundation. "If these trends continue, workers and employers will find it increasingly difficult to pay for family health coverage and every year the share of Americans who have employer-sponsored health coverage will fall."

"Since 2000, the cost of health insurance has risen 59 percent, while workers wages have increased only 12 percent. Since 2001, employee contributions increased 57 percent for single coverage and 49 percent for family coverage, while workers wages have increased only 12 percent. This is why fewer small employers are offering coverage, and why fewer workers are taking-up coverage," said Jon Gabel, vice president for Health Systems Studies at the Health Research and Educational Trust.

The survey was conducted between January and May of 2004 and included 3,017 randomly selected public and private firms with three or more employees (1,925 of which responded to the full survey and 1,092 of which responded to an additional question about offering coverage). This is the sixth year the joint survey was conducted by Kaiser and HRET, and the 17th year this survey has been conducted overall. Findings appear in the September/October issue of the journal *Health Affairs*.

Survey highlights include:

Worker contributions. This year, workers on average contribute \$558 of the \$3,695 annual premium cost of single coverage and \$2,661 of the \$9,950 cost of premiums for family coverage. Average employee contributions for single coverage are statistically unchanged from 2003, while average employee contributions for family coverage grew by 10% - a similar rate to the average overall premium increase. The percentage of premiums paid by workers is statistically unchanged over the last several years, at 16% for single coverage and 28% for family coverage.

Cost-sharing. Cost sharing rose modestly in 2004 compared to the larger increases observed in recent years. Most covered workers are in health plans that require a deductible be met before most plan benefits are provided. In PPO plans, which cover more than half of all workers with health benefits, the average

in the past year and 34% (19% overall) report changing the type of health plan offered.

When asked about future plans, about half (52%) of large firms (200 or more workers) say they are "very likely" to increase employee contributions in the next year. In contrast, just 15% of small firms (3 to 199 workers) say that they are "very likely" to increase employee contributions next year.

Across all firms offering coverage, relatively low percentages say that they are "very likely" in the next year to raise deductibles (9%), raise office visit cost-sharing (5%), raise prescription drug copayments (5%), introduce tiered networks for physicians or hospitals (2%), or restrict eligibility for benefits (1%). In addition, 3% of firms say they are "very likely" to drop health coverage entirely in the near future.

"Employers continue to look for ways to control the rising costs of health insurance, with more than half shopping around for a better option and one in six actually changing insurance carriers," said Gary Claxton, Vice President and the Director of the Health Care Marketplace Project at the Kaiser Family Foundation.

Note: This press release contains a correction from an earlier version. We reported that premiums increased by 59% since 2001. This figure (59%) reflects increases in premiums since 2000, not 2001.

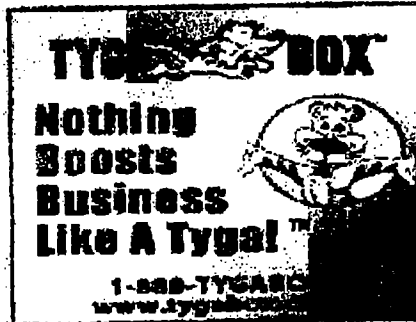
Methodology

The Kaiser Family Foundation/Health Research and Educational Trust 2004 Annual Employer Health Benefits Survey (Kaiser/HRET) reports findings from a survey of 3,017 randomly selected public and private employers, including 1,925 who responded to the full survey and 1,092 who indicated whether or not they provide health coverage. Kaiser/HRET drew its sample from a Dun & Bradstreet list of the nation's employers with three or more workers. The Kaiser/HRET Employer Benefits Survey is based on previous surveys sponsored by the Health Insurance Association of America from 1987-1990 and KPMG from 1991-1998. Researchers at the Kaiser Family Foundation and the Health Research and Educational Trust designed and analyzed the survey and National Research LLC conducted the field work between January and May 2004. The overall response rate for the survey was 50%. All statistical tests are performed at the 0.05 level except where otherwise noted. Beginning with the 2003 Survey, several methodological changes were made to the

AMSA TODAY

March 18, 2005

A Periodic Email Report From Joe Harrison to the Board of Directors and Members
of The American Moving and Storage Association



- > FUEL PRICES CONTINUE TO ESCALATE
- > HOUSE PASSES HIGHWAY BILL
- > 2005 AMSA MEMBERSHIP DIRECTORY

FUEL PRICES CONTINUE TO ESCALATE



On Wed., March 16, OPEC producers agreed to a 2% increase in oil supplies in an effort to rein in the current \$55 per barrel crude. The agreement also gives the cartel president power to trigger an additional production increase later in the second quarter, should prices stay high.

DOE's diesel price reported on Monday, March 14 was \$2.194, up almost 3 cents from last week. Increasing the ceiling will hopefully reduce crude to \$40-\$50 a barrel, lowering the cost of diesel fuel from the current price, and with it the 11% surcharge level.

HOUSE PASSES HIGHWAY BILL

On March 10, the U.S. House of Representatives passed H.R. 3, the Transportation Equity Act-A Legacy for Users (TEA-LU), by an overwhelming vote of 417-9. The bill, which contains the same household goods consumer protection provisions that appeared in the last TEA-LU legislation, proposes \$284 billion for reauthorization of the federal highway and transit programs through fiscal year 2009.

Meanwhile, the Senate has yet to introduce its version of the highway reauthorization bill. Senate Environment and Public Works Committee Chairman James Inhofe (R-OK) has indicated his desire to mark-up a bill in committee before Congress goes on its spring recess March 21. However, the Senate Commerce, Science, and Transportation Committee, which is responsible for drafting the household goods consumer protection provisions, is not expected to have its portion of the highway bill finished until after Congress returns the week of April 4. Under that timetable, the full Senate most likely would not consider their version until mid-late April.

If the Senate is able to finish its bill by the end of April, then Congressional leaders hope to work out any differences between the bills in a conference committee made up of House and Senate leaders before the end of May, when the current highway and transit authorizations are set to expire. AMSA continues to lobby Congress for industry-friendly household goods consumer protection provisions that may appear in any final highway reauthorization bill.

2005 AMSA MEMBERSHIP DIRECTORY

The 2005 AMSA membership directories (Sourcebook) are now being mailed to members. Due to our database conversion, publication of this year's Directory was delayed. Thank you for your patience. There is an update form on page 80 if you need to update any of your company's information for 2006.

Comments or questions can be emailed to jharrison@moving.org.

AX-20



Gasoline and Diesel Fuel Update

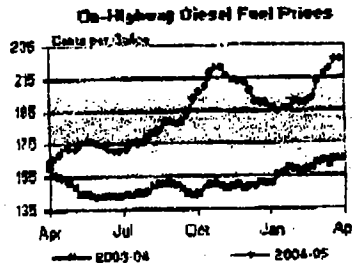
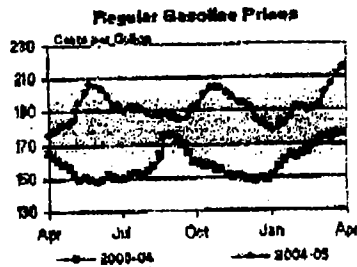
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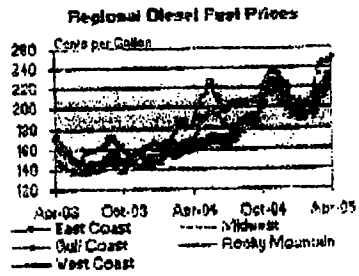
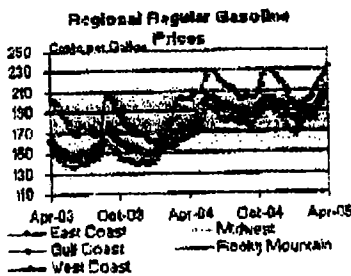
Gasoline

Diesel

U.S. Gasoline and Diesel Fuel Prices, 03/28/05



Gasoline				Diesel Fuel			
	Cents per Gallon	Change from			Cents per Gallon	Change from	
	Price	Week Ago	Year Ago		Price	Week Ago	Year Ago
U.S.	215.3	↑ 4.4	↑ 39.5	U.S.	224.9	↑ 0.5	↑ 60.7
East Coast	212.0	↑ 5.0	↑ 39.1	East Coast	224.8	↑ 0.3	↑ 61.0
New England	209.7	↑ 4.7	↑ 35.2	New England	237.4	↑ 1.9	↑ 61.7
Central Atlantic	210.8	↑ 4.3	↑ 35.0	Central Atlantic	236.0	↑ 0.2	↑ 63.1
Lower Atlantic	213.7	↑ 5.7	↑ 43.4	Lower Atlantic	218.9	↑ 0.3	↑ 60.1
Midwest	213.6	↑ 2.1	↑ 42.4	Midwest	220.3	↑ 0.7	↑ 58.7
Gulf Coast	207.9	↑ 5.7	↑ 43.8	Gulf Coast	218.2	↑ 0.2	↑ 59.9
Rocky Mountain	213.3	↑ 6.0	↑ 35.8	Rocky Mountain	232.6	↑ 1.3	↑ 64.6
West Coast	231.8	↑ 6.0	↑ 31.6	West Coast	248.3	↑ 1.2	↑ 66.6
California	237.6	↑ 6.4	↑ 29.7	California	251.2	↑ 3.0	↑ 62.3



Retail Gasoline Prices

On-Highway Diesel Prices

Diesel Prices for Last 53 Weeks
 24-hour hotline: 202-586-6966

This Week in Petroleum

Meeting U.S. Transportation Fuel Demand

A Primer on Gasoline Prices

Where Does My Gasoline Come From?

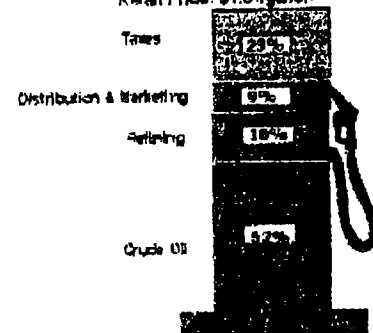
World Petroleum Market Changes and Impact on U.S.

Does EIA calculate diesel fuel surcharges?

Real Petroleum Prices

History

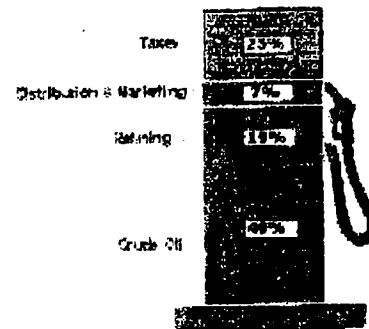
What We Pay For in a Gallon of Regular Gasoline (February 2005)
 Retail Price: \$1.01/gallon



Methodology

Previous Months' Gasoline Pump Data

What We Pay For in a Gallon of Diesel (February 2005)
 Retail Price: \$2.03/gallon



Methodology

Previous Months' Diesel Pump Data

*A Periodic Email Report From Joe Harrison to the Board of Directors and Members
of The American Moving and Storage Association*

FUEL CLIMBS TO OVER \$2.30 PER GALLON

DOE's fuel price reported on Monday, April 4, 2005, was \$2.303 per gallon. This is an increase of almost 14¢ per gallon from a month ago, and over 5¢ from last week. The commercial surcharge will increase from the current rate of 11% to 12%, effective April 15, 2005.

The military surcharge will also increase, effective April 15, from the current level of 9% to 11%.

OPEC leaders have begun talks on whether they will increase oil production, but indicated they will watch prices for a couple of weeks before making a decision. Oil prices soared to a record over \$58.00 per barrel on Monday, April 4, but ended the day at around \$57.00 a barrel.

AX-21



KENTUCKY HOUSEHOLD GOODS CARRIERS ASSOCIATION, INC.

MEMO

Date: November 17, 2003

From: Dennis Tolson, President
KHGCA

To: Mr. James McMahon, Attorney
Mr. Bud Mirus, KHGCA Tariff Committee Chairman

Re: Bordering States Rate Comparison for Intrastate and Local Moving Services
Survey taken via telephone, November 17, 2003 by Dennis Tolson, KHGCA

Intrastate Moving Services: (6,000 pounds moving 70 miles)

	<u>KY</u> (Lexington)	<u>TN</u> (Knoxville)	<u>IN</u> (Indianapolis)	<u>OH</u> (Columbus)	<u>WV</u> (Charleston)
Rate per 100 lbs.:	\$16.55	\$22.11	\$32.95	\$23.90	\$21.23

Avg: \$23.35 /100 lbs.

Local Moving:

2 men and 1 van:	\$58/hr	\$70/hr	\$82.65	\$70/hr	\$60/hr
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Avg: \$68.15/hr.

Packing Service:

Dishpack Carton:	\$15.65	\$11.55	\$6.75	\$18.75	\$12.80
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Avg: \$13.10 each

Dishpack Packing Labor:	\$13.50	\$17.15	\$70/hr	\$19.10	\$13.60
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Avg: \$15.84 each (does not include IN)

Note: Rates may vary (+ or -) from city to city within each state.

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**TRANSPORTATION CABINET
DEPARTMENT OF VEHICLE REGULATION
FRANKFORT, KENTUCKY**

DOCKET NO. 05-022

**KENTUCKY HOUSEHOLD GOODS
CARRIERS ASSOCIATION, INC.
P.O. BOX 22204
LOUISVILLE, KENTUCKY 40202-0204**

**POST-HEARING BRIEF OF
KENTUCKY HOUSEHOLD GOODS
CARRIERS ASSOCIATION, INC.**

The Respondent Kentucky Household Goods Carriers Association, Inc. ("Respondent" or "Kentucky Association"), by its attorneys, McMahon & Kelly, LLP, submits this Post-Hearing Brief in accordance with the Order of the Hearing Officer entered herein.

Introductory Statement

The Transcript of Proceedings in this Matter reflects in great detail the attention given by the Hearing Officer, the Cabinet, and the Respondent, to compliance with the provisions of Chapter 13B governing the conduct of Administrative Hearings in the Commonwealth of Kentucky.

Statewide public notice of the proceeding was provided by the Cabinet through advertisement of the hearing in the Lexington Herald Leader and the Louisville Courier Journal. (Hearing Tr. p. 10)

Notice by mail was also provided to "interested persons" as determined by the Hearing Officer. (Hearing Tr. p. 10)

Included among those to whom notice was provided was the Attorney General of the Commonwealth of Kentucky, who failed to appear or otherwise participate in this

EXHIBIT "2"

proceeding. The Attorney General received notice of the hearing by Certified mail and acknowledged receiving such notice in writing. The Hearing Officer took Administrative Notice of this fact. (Hearing Tr. p. 13)

The Transcript of Proceedings held on April 11, 2005 is incorporated herein by reference and made a part hereof in all respects. The descriptions of Exhibits and explanations of their relevance to the rate relief sought to the subject proposed Tariff Supplement as adduced during testimony was unchallenged and will not be repeated here.

Additional Legal Matters

At this time, Respondent invites the attention of the Hearing Officer to recent claims and legal arguments which have been advanced by Complaint Counsel for the Federal Trade Commission in a proceeding known as *In re Kentucky Household Goods Carriers Association, Inc.* (Docket No. 9309; Initial Decision filed June 25, 2004; appeal to full Commission currently *sub judice*).

In that case, an F.T.C. Administrative Law Judge has drawn into question the validity of the entire Kentucky household goods transportation rate regulatory program based on claims that the Cabinet has failed to “actively supervise” the rate filing activities of the Kentucky Association.

While both the Cabinet and the Kentucky Association have vigorously contested both the conclusions and the reasoning of the ALJ and Complaint Counsel, the fact remains that to the extent that the Hearing Officer’s Decision in this Matter can accommodate the positions expressed by F.T.C. representatives, it would greatly assist both the Cabinet and the Kentucky Association, insofar as there is presently pending

before the full Federal Trade Commission a Motion seeking a stay of its final appeal proceedings pending the outcome of the *within* proceeding.

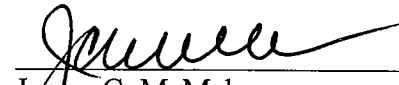
Accordingly, the Kentucky Association respectfully offers **for information purposes only**, certain of the points which have been urged by F.T.C.attorneys with regard to intrastate household goods rate proceedings in Kentucky, based upon **their** understanding of the subject and the applicable federal law. For ease of reference, the attached Appendix reproduces certain portions of Complaint Counsel's Memorandum in Opposition to the Kentucky Association's Motion for Summary Decision made in the F.T.C. case. We believe these representative portions to be sufficient for the purpose at hand. The entire document is available for submission to the Cabinet and Counsel as is any other document in the F.T.C. proceeding. The document in its entirety is also available at www.ftc.gov.

Conclusion

Wherefore, Respondent Kentucky Household Goods Carriers Association, Inc. respectfully requests that Special Supplement No. 86 of KYDVR#5 be permitted to become effective upon the filing of a written decision and Order herein, and that the Cabinet grant such other and further relief as shall be appropriate.

Dated: New York, NY
June 13, 2004

Respectfully submitted,


James C. McMahon
Kevin P. Kelly
McMahon & Kelly LLP
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Liebman & Liebman
430 West Main Street
Frankfort, KY 40622

**Appendix to Brief Submitted on Behalf of
Kentucky Household Goods Carriers Association, Inc.**
(Selected portions of Brief of Complaint Counsel filed in
In re Kentucky Household Goods Carriers Association, Inc.)
(Docket No. 9309; Initial decision filed 6/25/04)

**“1. The KTC Commits Very Limited Resources to Tariff
Issues**

The person at the KTC responsible for intrastate movers matters is William Debord. Mr. Debord works part-time: only 100 hours per month. CCS ¶ 37. Not all of that time is committed to household goods moving, though. Mr. Debord also has responsibility for passenger carrier issues and trucking matters in general. In fact, it appears that Mr. Debord spends only 60% of his time on household goods matters. CCS ¶ 38.

Further, Mr. Debord performs numerous ministerial tasks associated with tariffs, such as compliance, and thus has little time to review tariff rates. The bulk of his time is spent working on non-rate household goods matters. Fully 20% of his 100 hours is spent driving to the offices of regulated firms to conduct limited reviews of the firms' records. These reviews are done to make sure movers are not offering discounts to consumers. In addition, Mr. Debord spends time investigating unlicensed movers, conducting seminars, updating powers of attorney forms, and handling inquiries from the public. CCS ¶ 39.

Mr. Debord does not get any guidance from his supervisor about tariff issues. He has authority over such matters, and has not reported to anyone in that regard since 1979. CCS ¶ 40.

2. The KTC Does Not Receive Reliable Data

The KTC does not require household goods movers to submit business data to the state. For instance, movers do not routinely submit balance sheets and income statements to the KTC. CCS ¶ 41. Although Mr. Debord refers to his limited reviews of firms' records as “audits,” they do not resemble financial audits. He only looks at certain documents that movers keep on individual moves. He does not review balance sheets, income statements, payroll documents, documents that show information about cost of capital, or documents that would allow him to analyze movers' profitability. CCS ¶ 44.

It has not always been the case that the KTC failed to collect business data. Years ago, the KTC required all household goods movers to file detailed annual financial reports. These reports were routinely audited in the 1970's and 1980's. The KTC would check their accuracy by comparing the data sent to the state to the firms' ICC filings, which could be 200 pages long. CCS ¶ 42.

In fact, according to minutes of the April 15, 1966 board meeting, Respondent considered hiring a consultant to prepare information for the KTC because, “It was

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decided that due to the amount of information which maybe required by D.M.T., it would be feasible and probably more economical to call in an outside rates firm” The expert under consideration had many years experience at the Interstate Commerce Commission, where he supervised “between 30 and 40 employees whose duties were to develop cost formulae for the determination of rail, motor carrier . . . pay costs, to prepare cost studies . . . [and] to furnish cost data to the Suspension Board and other members of the Commission staff for use in determining the reasonableness of rates for rail carriers, motor carriers, and barge carriers and to introduce cost and other evidence in proceedings before the I.C.C.” CCS ¶ 43. Apparently, Respondent never did hire a consultant, and the state later dropped the requirement that all movers file reports.

The KTC’s decision to stop collecting cost and revenue data from movers appears to conflict directly with a statutory requirement. KY. REV. STAT. ANN. § 281.680(4) provides that the KTC’s collective rate making procedures “shall assure that the respective revenues and costs of carriers . . . are ascertained.” CCS ¶ 31; *see also* Respondent’s Memo at 31.

The Kentucky Association also does not compile accurate data on movers’ costs or rates. If a member of Respondent files for an exception to an item in the tariff, files to change the level of its rate, or charges a rate that is different from the collective rate in the tariff, the Kentucky Association requires the carrier to fill out a Form 4268 and submit it to the Chairman of the Tariff Committee. (These Form 4268's are received by the Kentucky Association’s Tariff Committee, but are not routinely filed by the Kentucky Association with the KTC). CCS ¶ 46. Respondent’s files contained many such Form 4268's. They are devoid of data. Many of Respondent’s member firms have changed their rates without even filling out the “justification” section of the Form 4268. Other forms have only minimal information in the “justification” section. For instance, many forms simply say “Increase in operating costs” or contain a simple statement that the mover wishes to raise its rates. CCS ¶ 47.

3. The KTC Does Not Issue a Written Decision

The KTC does not issue a written decision with respect to Respondent’s tariff. When the Kentucky Association institutes a change to the tariff - typically the change involves an increase in rates - it informs Mr. Debord of the change, and he stamps the document requesting the change “received.” After 30 days, the change takes effect. Aside from stamping the document, there is no statement issued by the state. As Mr. Debord testified, “No action is approval.” CCS ¶ 48-49.

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4. The KTC Does Not Hold Hearings

Aside from the original hearings in the 1950's or 1960's, where the state first approved the Kentucky Association's tariff, the state has never held a hearing to examine or analyze the collective rates contained in the Kentucky Association tariff. CCS ¶ 50. Since the only way the KTC could formally reject the Kentucky Association's collective tariff rate under Kentucky law the would be by setting the rates for a hearing, the KTC has obviously never formally rejected a tariff filed by Respondent. CCS ¶ 51.

The KTC also does not receive any informal input from groups advocating on behalf of consumers. CCS ¶ 52. A Kentucky administrative regulation, 601 KY. ADMIN. REG. ("KAR") 1:070(c), contains requirements that must be followed if movers change the tariff rates. The requirements include the following: "if the change in the rates and charges involves an increase, then he shall also, and at the same time, cause a notice to be printed in a newspaper of general circulation in the area of his situs which shall give notice of the proposed increase, the old rates and charges, the proposed rates and charges, and which shall state that any interested party may protest said increase by filing a protest with the Transportation Cabinet in accordance with its rules and administrative regulations." Respondent's Memo at 37. Mr. Debord testified in response to a leading question by Respondent's counsel that the KTC enforced 601 KAR 1:070. CX 116 (Debord Tr., I) 71:13-72:6. However, there is no evidence that any such notices have been published in newspapers and Respondent has cited to no documents in support of its contention that this provision is enforced. In addition, none of Respondent's exhibits supports the contention that notices of this type are published in newspapers.

5. The KTC Does Not Receive Justification for Rate Increases

When Respondent seeks a rate increase, it submits a list of the changes it is making and, at most, a one page cover letter requesting that the increase be permitted to take effect. CCS ¶ 54. Respondent does not submit, nor does the KTC require, any business records, economic study, or cost justification data. CCS ¶ 54. And while Mr. Debord alludes to informal verbal discussions he may have with movers prior to the KTC's receipt of requests for rate increase, Respondent does not cite a specific example of such a conversation. Respondent's Rule 3.24 Separate Statement of Material Facts as to Which There is no Genuine Issue, at ¶ 62; CCS ¶ 56.¹

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(¹ A general rate increase will involve adjusting upward hundreds of prices contained in the tariff's rate charts. Mr. Debord merely checks a few of the numbers for mathematical accuracy. CCS ¶ 71.)

For instance, in December 2000, Respondent sought an 8% rate increase. The only written justification for that increase was a cover letter. Mr. Debord characterized that letter as an "extra courtesy" and said that tariff filings were not normally accompanied by such a justification letter. Mr. Debord also could not recall any oral statements made to justify this rate increase. Nevertheless, the rate increase was allowed to go into effect. CCS ¶ 54.

As another example, in 1999, Respondent filed Supplement 61, seeking a 10% increase in intrastate rates. There was no written justification provided to the state other than the cover letter which discussed a 5% interstate increase. CCS ¶ 55. Similarly, in Supplement 71, Respondent filed for a 5% increase on additional items contained in the tariff, such as the added cost of moving a car which increased from \$128.30 to \$134.70. Mr. Debord could not recall any justification for that increase. CCS ¶ 56.

6. The KTC Does not Analyze Rates or Rate Increases Under any State Standard

The Kentucky legislature has determined that the rates movers can charge must be, among other things, reasonable and not excessive. CCS ¶ 31-33. State officials believe these laws are intended to protect consumers, among others. *Id.* Yet, the KTC has no standards or measures in place for determining whether the rates they allow to go into effect meet these legislative norms. As Mr. Debord stated, there is no "written rule within the Cabinet that requires specific standards to be followed." CCS ¶ 65. Similarly, the state does not have any way of knowing whether a rate increase will increase movers' profits or result in rate levels that exceed the statute's guideline that prices cannot be "excessive." CCS ¶ ¶ 53, 57.

In addition to not having standards in place to review the collective rate increases at issue in this case, the state also does not have standards in place to review rates members file that vary from the collective rates. In one instance, a member moving firm, named the Planes moving company, filed an exception whereby it would charge 20% more than the highest intrastate rates in the tariff. Another firm, Weil-Thoman, filed an exception whereby it would charge 38% more than the highest intrastate rates in the tariff. Both of these firms operate in the same geographic region. Mr. Debord does not remember the justification for these very substantial price surcharges. And, in neither instance could Mr. Debord identify a standard that the state would use to determine

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whether these rates complied with the statutory requirement that rates not be “excessive.” CCS ¶ 59. The state also does not have any standard in place to evaluate rates charged by non-member firms. A moving company that is not a member of the Kentucky Association, Apartment Movers, filed for individual rates. Mr. Debord testified that he had no “specific standards” for determining whether those rates would be acceptable. CCS ¶ 58. (Non-member rates are not challenged in the instant suit, but we note by way of analogy that the state has no standards in place in those instances as well.)

The state has not always taken such a hands-off approach to regulation. Three decades ago, the KTC had a staff of three auditors and others who did cost studies involving statistical analysis of for-hire carriers. CCS ¶¶ 60, 63. In the 1970's, the KTC routinely compiled a spreadsheet which contained the calculated operating ratios for all household goods movers. CCS ¶ 62. Mr. Debord himself was involved in deriving movers' operating ratios, and he would then prepare monthly written reports to the Commissioner analyzing rate applications. However, some time in the 1980's, the Commissioner told him “not to bother them with those things” or “Don't bother us with that.” (It is somewhat unclear why the state tracked firms' operating ratios since it never developed a written policy setting forth an acceptable level of movers' operating ratios. CCS ¶ 64). Following the Commissioner's directions, Mr. Debord has since discontinued preparing written analyses of tariff rates. CCS ¶ 61.

Instead, courts have set forth a number of the specific factors to be considered in assessing whether active supervision has been established. One such factor is whether the state collects and verifies data from industry participants. For instance, courts evaluate whether the state requires firms to furnish business data generated by the firms in the course of their operations. *Southern Motor Carriers*, 467 F. Supp. at 477 (N.D.Ga. 1979) (“freight bills and information concerning other expenses”); *Ticor*, 112 F.T.C. at 437 (*Comm. Op.*) (cost and expense data); *Ticor*, 504 U.S. at 639. The Commission has inquired whether legitimate justifications were submitted with even minor rate amendments and adjustments. *Ticor*, 112 F.T.C. at 438 (*Comm. Op.*). Courts have also examined whether the state participated in on-site review and independent verification of financial information from carriers' books and records. *Southern Motor Carriers*, 467 F. Supp. at 477. Where the state does not require review of all possible data, courts have looked to see if the state engaged in sound sampling techniques to determine whether the state's review of participants' financial records constituted active supervision. *Ticor*, 112 F.T.C. at 428 (*Comm. Op.*); 504 U.S. at 640. Such efforts to collect and verify industry data have been highlighted by the courts as activities states can and should engage in to ensure that they rise to an adequate level of active supervision.

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Written analysis by the state of its decision-making process has a direct bearing on the active supervision requirement. Courts have looked positively upon efforts by states to issue a written order, whether issued after a public hearing on the rate or issued in compliance with a state determined standard. *New England Motor Rate Bureau, Inc.*, 112 F.T.C. at 282 (*Comm. Op.*). Courts have also considered separate, independent studies conducted or commissioned by a state that evaluate the necessity of proposed rate increases as critical to understanding how actively the state supervises. *Southern Motor Carriers*, 467 F. Supp. at 477; *New England Motor Rate Bureau*, 112 F.T.C. at 233, 266, 279-80 (*Int. Dec.*, *Comm. Op.*, *Comm. Op.*) (active supervision not found because, *inter alia*, the state had “never conducted an economic study of the intrastate trucking industry nor of the effects of its regulatory policy on intrastate trucking industry within the state”).

(The Commission’s decision in *New England Motor Rate Bureau* was reversed by the First Circuit, *New England Motor Rate Bureau v. FTC*, 908 F.2d 1064 (1st Cir. 1990), but the Supreme Court later explicitly held the First Circuit’s standard for active supervision to be “insufficient” in *Ticor*. 504 U.S. at 637. Complaint Counsel’s use of the Commission Opinion is intended to illuminate the factors reviewed and highlighted by the Commission in a prior case evaluating the active supervision requirement.)

Whether a state holds hearings to evaluate rates is also highly material to courts’ determination of active supervision. In *Southern Motor Carriers*, the government conceded that prong two of *Midcal* was met where the District Court found that “although the submitted rates could go into effect without further state activity, the State had ordered and held ratemaking hearings on a consistent basis, using the industry submissions as the beginning point.” *Ticor*, 504 U.S. at 639; *see also Southern Motor Carriers*, 471 U.S. at 66. The Supreme Court favorably cited to these findings of active supervision in *Ticor*. 504 U.S. at 639. The facts of *Southern Motor Carriers* also demonstrated that the state’s rate conference, the body which submitted rates for motor carriers throughout the state, also held public meetings prior to submitting a rate proposal, to which shippers (the customers) were often invited and often attended. *Southern Motor Carriers*, 467 F. Supp. at 476. Thus, public input and consideration of industry data have been given favorable treatment by the Supreme Court. Conversely, in the four states where inadequate state supervision was found in *Ticor*, there were no hearings on rate increases. *Ticor*, 112 F.T.C. at 381 (*Int. Dec.*) (Connecticut); *Id.* at 385 (*Int. Dec.*) (Wisconsin); *Id.* at 388 n. 229 (*Int. Dec.*) (Arizona); *Id.* at 444 (*Comm. Op.*). In one of those states, Montana, there had been hearings on legislation (unrelated to rates) three years prior to the formation of the rate bureau. *Id.* at 444 (*Comm. Op.*). Even where hearings have been held in the past, failure to hold hearings in the recent past has been

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found to indicate a lack of supervision. *New England Motor Rate Bureau*, 112 F.T.C. at 267 (*Comm. Op.*).

Kentucky's review of the rate filings made by Respondent falls far short of the "active supervision" required by *Ticor* and other pertinent cases. The state takes no procedural steps such as holding hearings or issuing written decisions. Nor does it collect business data or require the submission of cost studies or economic studies when Respondent files for higher rates. More importantly, the state does no substantive review of the rates filed. And although the statute requires that state regulators consider whether the service being provided is "economical and efficient" and not "excessive," the state has no standards by which to measure the impact of the filed rates on consumers.

Respondent urges this Tribunal to find active supervision based on two factors: the existence of state laws and regulations pertinent to household goods movers and Mr. Debord's self-serving statements that, because of his experience, he can judge whether rates are reasonable based on his informal discussions with movers and his review of general industry information. As discussed below, this minimal level of state activity fails to meet the law's required showing for active supervision.

One set of factors courts have looked at to determine whether active supervision is present deals with the collection of data. Courts have repeatedly noted the importance of states' diligence in gathering business data on the firms subject to regulation. *Southern Motor Carriers* focused on the state's review of freight bills and other information, and it also noted the importance of on-site review and verification of business data. 467 F. Supp. at 477. *Ticor* made favorable mention of the state's use of the industry submissions in *Southern Motor Carriers* and it also referred favorably to a regulatory program that used "sampling techniques." 504 U.S. at 639, 640. And the Commission opinion in *Ticor* noted the importance of whether tariff filings were accompanied by "cost or expense data." 112 F.T.C. at 437 (*Comm. Op.*). Kentucky no longer has a program in place to obtain any reliable business data from movers. While it once required movers to submit annual performance reports, that requirement has been discontinued. Now, despite the fact that Kentucky statute KY. REV. STAT. ANN. § 281.680(4) requires the KTC to collect information so that it can make sure that movers' "respective revenues and costs . . . are ascertained," the state has no program in place requiring moving firms to submit any sort of business data.

A second set of factors courts have looked at in determining the presence or absence of active supervision is whether the state issues a written analysis of its decision-making process. For instance, in *New England Motor Rate Bureau*, the Commission noted that all rate changes were accompanied by a written order issued by one of the

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reasonable rate for moving services. KY. REV. STAT. ANN. §§ 281.590; 281.690; 281.695. Courts have identified several analytical tools that states have used to review the reasonableness of rates. In *Ticor*, the Supreme Court noted that a “specified rate of return” analysis “allow state regulators to provide comprehensive supervision” of rates. 504 U.S. at 640. The Commission opinion in *Ticor* noted that the state of Connecticut had a private consultant do a study in support of a rate increase that concluded that the increase would result in a 2.78 percent return on capital. 112 F.T.C. at 382 (*Int. Dec.*). *Southern Motor Carriers* found active supervision where, among other things, the state reviewed requests for an increase in motor carrier rates by analyzing motor carriers’ operating ratios. 467 F. Supp. at 477. And in *New England Motor Rate Bureau*, the Commission found an absence of active supervision, in part, because the state did not look at the relationship between rates and carriers’ profits. 112 F.T.C. at 267, 279 (*Comm. Op.*). “

CERTIFICATE OF SERVICE

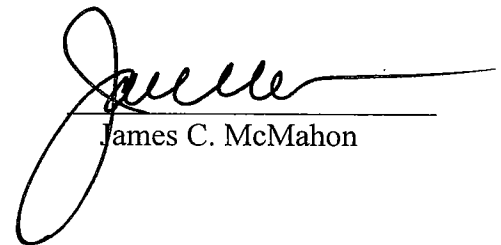
This is to certify that on June 11, 2005 I caused a copy of the attached Respondent Kentucky Household Goods Carriers Association, Inc.'s Post-Trial Brief be served upon the following persons by U.S. First Class mail and fax:

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James C. McMahon

*Rec'd 6/16/05
by [unclear]
6/14/05*

**TRANSPORTATION CABINET
DEPARTMENT OF VEHICLE REGULATION
FRANKFORT, KENTUCKY**

**KENTUCKY HOUSEHOLD GOODS
CARRIER ASSOCIATION, INC.
P.O. BOX 22204
LOUISVILLE, KENTUCKY 40202-0204**

DOCKET NO. 05-022

**Closing Argument
Kentucky Transportation Cabinet**

On April 11, 2005, a hearing was held relating to intrastate Kentucky rate changes proposed in Special Supplement #86 as published by the Kentucky Household Goods Carrier Association, Inc. (KHGCA). The proposed change sought would eliminate the six percent (6%) fuel surcharge contained in Item 185 and further eliminate the four percent (4%) insurance surcharge set forth in Item 188 of KYDVR Tariff #5. In lieu of these deletions, the general rates would be increased by eleven percent (11%).

At the public hearing, evidence was submitted by KHGCA relative to the above changes in its intrastate Kentucky Tariff No. 5. The Cabinet had requested that KHGCA either eliminate the surcharge supplements or that the costs of the operational expense be justified and rolled into the general rate structure in KHGCA Tariff No. 5. This application was a result of that request by the Cabinet and it further requested a one percent (1%) general increase.

At the hearing, KHGCA introduced fuel receipts and other oral testimony relating to the continuing increased costs of gasoline and diesel fuel. The documents submitted appear to be relatively small quantities of diesel (KHGCA Exhibit 17). There was no evidence of any "volume discounts" or that the test carrier, Vincent Fister, Inc, had on-site fuel storage facilities that may have allowed for volume discounts. This is also true

EXHIBIT¹ "3"

in the gasoline purchases. No evidence was introduced as to what the percent of total cost of fuel was to the overall expenses of the test carrier.

The Cabinet is aware of the continuing increased diesel and gasoline costs. Although there has been some stabilizing of fuel costs and to some degree a slight decrease in fuel costs since the public hearing, there is a general knowledge that present fuel costs is a major factor in the operations of trucking companies and other users of fuel. There is no evidence that the costs of fuel is less than that covered by the temporary fuel surcharge outlined in Item 185 of KHGCA, Inc Tariff #5. The Cabinet has, and continues to monitor the costs of fuel through the publications of the United States Department of Energy (USDOE) Gasoline and Diesel Fuel Update. This information is gathered periodically through the USDOE web site: <http://tonto.eia.doe.gov/oog/infi/gdu/gasdiesel.asp>. Information reviewed by the Cabinet at this Internet connection reflect that gasoline costs are up approximately 42% over the past year and diesel at approximately 63% over that period. (Information source—USDOE Gasoline and Diesel Fuel Update-dated April 19, 2005).

At the hearing, KHGCA introduced evidence and oral testimony relating to the increased costs of insurance (KHGCA Exhibits 10 and 11). There was no evidence that the test carrier, Vincent Fister, Inc, had any special insurance situation that caused their insurance rates to be any different than other companies within KHGCA. Also, as in the case of fuel costs, no evidence was introduced as to what the percent of total cost of insurance was to the overall expenses of the test carrier.

The Cabinet is aware of the ongoing increase in liability and cargo insurance coverage. Although there has been some stabilizing of insurance costs and to some

degree a slight decrease in insurance costs for certain companies that have maintained a relative stable safety record without major claims. It is general knowledge that present insurance costs are a major factor in the operations of trucking companies. There is no evidence that the costs of cargo and liability insurance is less than that covered by the temporary four percent (4%) insurance surcharge outlined in Item 188 of KHGCA, Inc Tariff #5. The Cabinet has, and continues to monitor the costs of insurance through oral interviews with other household goods movers within Kentucky.

KHGCA introduced evidence at the hearing that indicates that the cost of a new Freightliner tractor Model CL120 for the test carrier-Vincent Fister, Inc increased from \$89,969.43 in 2003 to \$98,885.00 in 2005, this increase was \$8,915.57 or 9.91% (KHGCA Exhibits 12, 13, 14 & 15).

Evidence submitted by KHGCA relating to increased packing materials costs through Victory Packaging, Inc of Louisville, Kentucky reflects an increase of fourteen percent (14%) in paper and packing material used on local and intrastate moves (KHGCA Exhibits 3, 4, 5, 6 and 9). A July 7, 2004 letter from the General Manager of Victory Packaging was introduced which states that such increase was to all its customers and would represent the costs to all movers purchasing Victory's products (KHGCA Exhibit 6).

The Cabinet does not question the information relating to increased costs of equipment and paper and packaging material. It further appears that the cost increase pertaining to such material incurred by the test carrier, Vincent Fister, Inc. would represent the cost that would be applicable to any customer of the companies noting the increase.

The Division of Motor Carriers had performed its own review and comparison of Kentucky's intrastate household goods moving rates. It was requested that these findings be submitted to the court and would be considered as additional evidence in this proceeding. Evidence was presented by KHGCA relating to how Kentucky's intrastate rates compared to surrounding states. The Cabinet does not question the findings of KHGCA. In fact, the Division of Motor Carriers has conducted a more specific and detailed comparison of Indiana, Ohio and West Virginia.

Ohio regulates rates in a similar manner as Kentucky through the Ohio Public Utilities Commission. Most of the movers are a member of the Ohio joint tariff bureau. Local hourly rates are specified within twenty-five (25) miles and by "zones". Intercity rates are by weight (per 100 lbs.) and distant rates. From information supplied by Ohio movers, the process in Ohio is similar to Kentucky. Local rates generally are much higher than Kentucky in major metropolitan areas such as Cincinnati, Cleveland, etc. and somewhat higher near Kentucky-Ohio border.


West Virginia's household goods moving laws and regulations are administered by the West Virginia Public Service Commission and rates and charges are filed individually by carriers. The rates for the carrier reviewed were similar to Kentucky, but the carrier did not file surcharges and there are more specific rates in Kentucky's Tariff #5. The mileage rates would be similar to Kentucky, but without the added charges the West Virginia rates appear to be near Kentucky's rates or lower. The overall charges for the move as rated would be comparable.

Indiana has had major changes in its intrastate household goods rates with the elimination of collectively filed rates. Each carrier has filed individual tariffs through the

Indiana household goods carriers' joint tariff and many filed the same rates that were on file. The rate structure and tariff format is the same as Kentucky. It appears that rates are somewhat higher, but due to the major change in the joint filing process, it is difficult to compare. Based upon the carrier reviewed that has both Kentucky and Indiana, they have filed the same rates. As in Ohio, the rates near the border are similar, but somewhat higher further north of the border and in larger cities in Indiana.

Under cross-examination, Mr. McMahon questioned the Cabinet's witness, Mr. Debord, regarding whether the Division had math verified the rates and charges outlined in Supplement #86. The testimony from Mr. Debord was that he had "spot-checked" the rates for accuracy. Subsequent to the hearing, the rates have been math verified more in depth and no errors have been noted in the filings.

Respectfully submitted,


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CERTIFICATE OF SERVICE

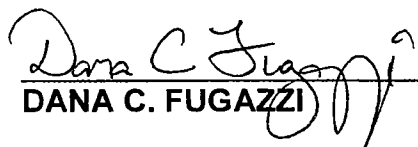
This will certify that the foregoing was served by mailing a true and correct copy thereof by U.S. mail, postage prepaid, to the following on this the 13th day of June, 2005:

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DANA C. FUGAZZI

CERTIFICATE OF SERVICE

This is to certify that on July ___, 2005 I caused a copy of the attached Respondent's Motion for Stay of Proceedings and the corresponding Proposed Order to be served upon the following persons by hand delivery:

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