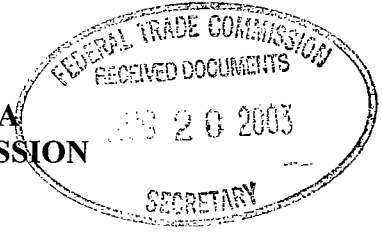


UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION



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

Docket No. 9309

**RESPONDENT KENTUCKY HOUSEHOLD
GOODS CARRIER ASSOCIATION, INC.'S
ANSWER TO COMPLAINT**

Respondent, Kentucky Household Goods Carriers Association, Inc., by its attorney, James C. McMahon, as and for its Answer to the Complaint herein, alleges as follows:

NATURE OF THE CASE

Respondent answers Complaint Counsel's narrative under the heading of the Complaint entitled "Nature of the Case" as follows. Respondent (a) denies that this matter concerns "horizontal agreements" among household goods movers; (b) admits that it causes to be filed documents containing proposed rates on behalf of its members in accordance with applicable provisions of Kentucky law, and that these documents become "tariffs" when filed by the Kentucky Transportation Cabinet; (c) admits that tariffs, once made effective by reason of applicable provisions of Kentucky law, contain rates which the law requires household goods movers to charge consumers for regulated household goods transportation services; and (d) denies that through tariffs, movers engage in a horizontal agreement to fix prices for their services.

RESPONDENT AND ITS MEMBERS

Paragraph 1. Respondent admits the truth of the allegations contained in the paragraph of the Complaint marked and numbered "1."

Paragraph 2. Respondent admits the truth of the allegations contained in the paragraph of the Complaint marked and numbered "2."

Paragraph 3. Respondent admits the truth of the allegations contained in the paragraph of the Complaint marked and numbered “3.”

Paragraph 4. Respondent denies the allegations contained in the paragraph of the Complaint marked and numbered “4,” except that Respondent admits that certain of its members are engaged in the business of providing transportation services and that its members are, from time to time, in competition among themselves and other household goods carriers.

Paragraph 5. Respondent admits the truth of the allegations contained in the paragraph of the Complaint marked and numbered “5.”

JURISDICTION

Paragraph 6. Respondent denies the truth of the allegations contained in the paragraph of the Complaint marked and numbered “6,” except that Respondent does not dispute that the Federal Trade Commission has jurisdiction in this proceeding.

THE CHALLENGED CONDUCT

Paragraph 7. Respondent denies the truth of the allegations contained in the paragraph of the Complaint marked and numbered “7.”

Paragraph 8. Respondent denies the truth of the allegations contained in the paragraph of the Complaint marked and numbered “8.”

THE VIOLATION CHARGED

Paragraph 9. Respondent denies the truth of the allegations contained in the paragraph of the Complaint marked and numbered “9.”

AS AND FOR A FIRST AFFIRMATIVE DEFENSE

Paragraph 10. The Complaint fails to state a Claim upon which relief can be granted.

AS AND FOR A SECOND AFFIRMATIVE DEFENSE

Paragraph 11. The actions of the Respondent challenged in the Complaint are immunized from application of the Sherman Act and the Federal Trade Commission Act by reason of the so-called “State Action Doctrine,” insofar as all actions of Respondent with respect to tariff activity as alleged in the Complaint were performed pursuant to a clearly articulated and affirmatively expressed State policy of the Commonwealth of Kentucky and were actively supervised by said Commonwealth.

AS AND FOR A THIRD AFFIRMATIVE DEFENSE

Paragraph 12. The Complaint must be dismissed due to the failure of Complaint Counsel to join a necessary party in whose absence complete relief cannot be afforded to the parties, namely, the Commonwealth of Kentucky.

WHEREFORE Respondent Kentucky Household Goods Carriers Association, Inc. demands that the Complaint be dismissed, that it be awarded its costs, disbursements, and attorneys' fees incurred in the defense of this proceeding, and that the Administrative and the Commission grant such other and further relief as shall be appropriate.

Dated: New York, NY
August 9, 2003

Respectfully submitted,

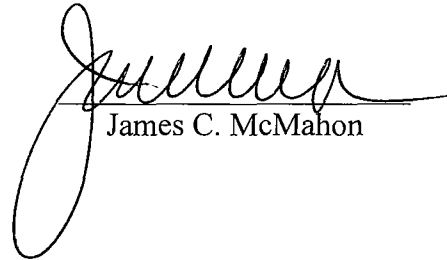

James C. McMahon
Attorney for Respondent
Kentucky Household Goods
Carriers Association, Inc.
60 East 42nd Street; Ste. 1540
New York, NY 10165-1540
212.973.4862

CERTIFICATE OF SERVICE

This is to certify that on August 18, 2003, I caused a copy of the attached **Respondent's Answer to Complaint** to be served upon the following persons by U.S. Express Mail:

Hon. Richard Dagen
Associate Director
Federal Trade Commission
601 New Jersey Avenue, N.W.; Room 6223
Washington, DC 20580

Dated: New York, NY
August 18, 2003


James C. McMahon