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MEMBER  
HOUSE COMMITTEE ON  
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ORIGINAL

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-1317**

September 11, 2003

Mr. Bryant L. VanBrakle  
Secretary  
Federal Maritime Commission  
800 North Capitol Street, NW  
Washington, DC 20573

Dear Mr. VanBrakle:

I am writing to express my support for United Parcel Service's (UPS) petition to the Federal Maritime Commission, requesting an exemption from the Ocean Shipping Act, to permit UPS to enter into confidential service contracts.

UPS is seeking an exemption under Section 16 of the Ocean Shipping Act, which prohibits Non-Vessel-Operating Common Carriers (NVOCC) from entering into confidential service contracts. Due to the operational characteristics of UPS, its large capital base, and history of reinvestment in transportation assets, there is no risk of non-performance of the service contracts.

During consideration of the Ocean Shipping Reform Act of 1998, Congress determined that NVOCCs should be regulated differently than vessel operators. In order to protect shippers and to guarantee liability coverage, Congress determined that NVOCCs should operate under a published tariff system when dealing with their customers. However, the state of U.S. ocean shipping has changed. There has been unprecedented consolidation among ocean carriers resulting in the loss of major U.S. flagged carriers. In an effort to offer customers a full range of services, these very same carriers have created companies that now compete with NVOCCs.

By approving UPS's petition, the Commission will acknowledge these changes, level the playing field between NVOCCs and vessel operators, and ultimately benefit ocean shipping consumers around the world.

I would appreciate the Commission's consideration and support for UPS's petition to enter into confidential service contracts. I look forward to the Commission's favorable review.

Sincerely,



LANE EVANS  
Member of Congress

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